

Medicare to pay for \$93,000 prostate cancer drug

March 30 2011, By MATTHEW PERRONE , AP Health Writer

(AP) -- Medicare officials said Wednesday that the program will pay the \$93,000 cost of prostate cancer drug Provenge, an innovative therapy that gives men suffering from the disease an extra four months to live, on average.

The Centers for Medicare and Medicaid said the biotech drug made by Dendreon Corp. is a "reasonable and necessary" medicine. The decision ensures that thousands of men will be able to receive the drug through the federal government. The agency will take comments on the decision for 90 days before making it final.

Medicare is legally prohibited from considering price when deciding whether to pay for a new treatment. The [Food and Drug Administration](#) approved Provenge last April and in most cases Medicare automatically covers drugs cleared by the agency. But Provenge's price tag has prompted debate about the cost of medical care and the government's role in paying for it. The agency's decision to review Provenge last year prompted outrage from some patients and doctors who said Medicare was looking for a reason to avoid reimbursing for the pricey drug.

The infused drug is a first-of-a-kind treatment in that each dose is customized to work with a patient's immune system. Seattle-based Dendreon says Provenge's price reflects the more than \$1 billion spent researching and developing the drug. And [prostate cancer](#) patients point out that the average survival time with Provenge is double that of [chemotherapy](#), which is about two months and is marked by significant

side effects.

"It's impossible to put a dollar figure on a human life, especially when you're talking about a drug that has such mild side effects," said Jim Kiefert, a prostate cancer patient and advocate who was part of the Provenge study. "Of all the treatments I've had - with surgery, radiation and [hormone treatment](#) - Provenge had fewer side effects than any of them."

But bioethicists who study health care decisions say Medicare's ruling on Provenge mirrors the bias of the overall U.S. health system, which emphasizes expensive treatments over basic medical care. Health care costs account for nearly one fifth of the U.S. economy, more than any other country.

"We tend to put our health care dollars into very high-tech interventions that produce very marginal improvements," said Dr. Steven Miles, a professor at the University of Minnesota's Center for Bioethics. "The problem is that we have created a health care system that is uniquely inadequate in terms of access to primary health care, which is where you get the most bang for your buck."

A growing number of biologically engineered cancer drugs are being priced in the \$100,000 range, including therapies from Roche and Eli Lilly & Co. Last week, Bristol-Myers Squibb Co. received approval for a new melanoma drug that will be priced at roughly \$120,000 per patient.

The news sent Dendreon shares up 46 cents to \$35.97 in after-hours trading. The stock closed the regular session down 34 cents at \$35.54 before the announcement.

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