

Pricey prostate cancer drug's makers targeted by Congress

March 29 2016, by Linda A. Johnson



This combo of file photos shows, from left: U.S. Reps. Lloyd Doggett and Peter Welch, and Sen. Bernie Sanders. Pharmaceutical company Medivation is being targeted by lawmakers over drug pricing. Doggett, Welch and Sanders have urged the Department of Health and Human Services and the National Institutes of Health to step in to cut prices for the drug Xtandi, saying it costs four times more in the U.S. than it does outside the country. (AP Photo)

Lawmakers again are targeting the pharmaceutical industry over sky-high prescription drug prices, a hot issue this year in Washington and on the campaign trail that's been dragging down stock prices of many drugmakers.

Shares of Medivation tumbled Tuesday after a group of lawmakers

started a campaign to potentially lower the price of a drug for advanced prostate cancer, Xtandi.

The drug is jointly marketed in the U.S. by Japanese drugmaker Astellas Pharma and its partner, Medivation Inc., which is based in San Francisco. Astellas sells Xtandi outside the U.S.

In a letter to the heads of the Department of Health and Human Services and the National Institutes of Health, Reps. Lloyd Doggett and Peter Welch and Sen. Bernie Sanders urged the agencies to step in to cut prices for Xtandi, saying it costs four times more in the U.S. than in some other developed countries.

They are asking for public hearings on the drug, which they say was developed at the University of California, Los Angeles, through taxpayer-supported research grants. The lawmakers want the NIH to consider overriding Xtandi's patent, which guarantees Medivation and Astellas exclusive sales for a decade or more. Overriding the patent would allow for Xtandi's price to be reduced.

"Under current law, NIH can take this step if federal funds supported a drug's development and the company is selling it at an unreasonably high price," the lawmakers said in a statement.

In the U.S., Xtandi has an average list price of more than \$129,000 per year, though insurers negotiate significant discounts. Patients generally take it for several months. Xtandi is sold in Japan and Sweden for \$39,000, and in Canada for \$30,000, according to the statement.

Astellas responded Tuesday, saying the [lawmakers'](#) campaign doesn't reflect what insurers or patients actually pay for Xtandi. Astellas said about 80 percent of patients with Medicare or private insurance have a monthly copayment of \$25 or less. It said more than 2,000 men with

poor or no insurance and household incomes of \$100,000 or less received Xtandi free last year.

In midday trading, Medivation shares were down \$4.33, or 10.5 percent, to \$36.92.

Medivation and Astellas are just the latest drugmakers to find themselves in the crosshairs of Congress.

The CEO of beleaguered Valeant Pharmaceuticals Inc. was subpoenaed Monday to appear before the Senate Aging Committee, which is holding its third hearing since December to determine the reasons behind skyrocketing price for drugs.

Executives at Valeant Pharmaceuticals International Inc., Turing Pharmaceuticals and several other drugmakers have been buying up rights to those old drugs and then jacking up [prices](#) many times over what patients had paid for years.

Executives of the companies have been invited or subpoenaed to testify at hearings on the issue held by multiple Congressional committees.

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