

Mylan boosts EpiPen patient programs, doesn't budge on price

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This Oct. 10, 2013, file photo, shows an EpiPen epinephrine auto-injector, a Mylan product, in Hendersonville, Texas. Mylan, now in the crosshairs over severe price hikes for its EpiPen, said Thursday, Aug. 25, 2016, it will expand programs that lower out-of-pocket costs by as much as half. (AP Photo/Mark Zaleski, File)

Mylan is bulking up programs that help patients pay for its EpiPen emergency allergy treatment after weathering heated criticism about an

average cost that has soared over the past decade.

But the drugmaker didn't budge on its price hikes Thursday, which have drawn ire both in Congress and from families that have had to shell out increasingly large sums for the potentially life-saving treatment.

That means the insurers and employers that pay the bulk of the EpiPen cost for many patients will continue to do so, contributing to higher health insurance costs.

"That's just going to come out in the premiums," said Sabrina Corlette, a research professor at the Georgetown University's Health Policy Institute. "Everybody suffers, except the Mylan investors."

Mylan joins a growing list of drugmakers, Turing Pharmaceuticals and Valeant Pharmaceuticals International Inc. among them, that have been called out after mammoth price hikes for the drugs they sell, with little or no innovation.

Turing's former CEO Martin Shkreli became the poster child of pharmaceutical-industry greed last fall for hiking the price of a life-saving drug, Daraprim, by more than 5,000 percent.

He has applauded Mylan's actions.

The average price of a two-dose EpiPen package climbed to about \$608 earlier this year, up more than 500 percent from around \$94 nine years ago, according to the Elsevier Clinical Solutions' Gold Standard Drug Database.

Mylan CEO Heather Bresch told CNBC Thursday that lowering the price was not an option.

"Had we reduced the list price, I couldn't ensure that everyone who needs an EpiPen gets one," she said.

EpiPens are used in emergencies to treat severe allergies that can lead to anaphylactic shock. Roughly 40 million Americans have severe allergies to spider bites, bee stings and foods like nuts, eggs and shellfish.

Democratic presidential candidate Hillary Clinton and members of Congress from both parties have quickly ramped up criticism of the price Mylan charges for the medicine.

Clinton said Wednesday that pharmaceutical and biotech industries can fuel American innovation, and combat debilitating diseases. But she added that "it's wrong when drug companies put profits ahead of patients, raising prices without justifying the value behind them."

Bresch said Thursday that Mylan gets \$274 for a two-dose EpiPen package. The rest of the \$608 price goes to entities that stand between the drugmaker and the patient, like insurers, pharmacy benefits managers, wholesalers and drugstores.

"This isn't an EpiPen issue," she said. "This isn't a Mylan issue. This is a health care issue."

However, it is Mylan that is increasing the price of the drug and the company stuck by those price hikes Thursday.

That stance brought a wave of new money from investors who drove Mylan's shares up more than 2 percent in morning trading, while major U.S. indexes slipped.

Last year, more than 3.6 million U.S. prescriptions for two-packs of EpiPens were filled, according to data firm IMS Health. That brought in

sales of nearly \$1.7 billion for Mylan.

Mylan said Thursday that it was doubling the eligibility for its patient assistance program to people with incomes four times higher than the federal poverty level. It said that means a family of four making up to \$97,200 would pay nothing out of pocket for the treatment. It also noted that its \$300 savings card would cut the bill in half for patients who would otherwise have to pay full price for the EpiPen.

Patients also will be able to order the injected medicine directly from the company, to help lower costs.

These measures could provide significant help for people with no coverage facing the full bill. But they might have more limited value to a patient whose insurer will cover most of the bill anyway and whose future premium could be affected by the drug's price.

Customers of Express Scripts Holding Co., the nation's largest pharmacy benefits manager, pay about \$73.50 out of pocket for an EpiPen prescription, spokesman Brian Henry said. He noted that price has stayed relatively stable the past couple years.

Sen. Richard Blumenthal, D-Connecticut, dismissed the actions Mylan detailed Thursday as a baby step.

"This step seems like a PR fix more than a real remedy, masking an exorbitant and callous price hike," the senator said in a statement.

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