

US cancer drug costs increasing despite competition, new research shows

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Anticancer drug costs in the United States increase substantially after launch regardless of competition, according to a new study just

published in the *Journal of Clinical Oncology*.

"This is the first study that systematically investigates oncology drug price changes with time and the correlation to the market structure," according to the researchers from Ben-Gurion University of the Negev (BGU), Rabin Medical Center and Tel Aviv University in Israel, as well as Emory University in Atlanta. "Our objective was to systematically measure the cost trajectories of individual [anticancer drugs](#) after their U.S. launch and to determine if price increases over time are anecdotal or a broader phenomenon."

The researchers measured the monthly price trajectories of 24 U.S. Food and Drug Administration-approved (FDA) cancer drugs and assessed the influence of market structure on price changes. To account for discounts and rebates, the research team used the average sales prices published by the Centers for Medicare and Medicaid Services and adjusted to general and health-related inflation rates. For each drug, the researchers calculated the cumulative and annual drug cost changes.

They found that after a follow-up period of 12 years, the mean cumulative cost increase was 37 percent, including all the injectable anticancer drugs. Annual changes in pricing did not appear to be affected by new supplemental FDA approvals, new off-label indications or new competition.

Notably, prices for leukemia drugs increased by 95 percent for arsenic trioxide/Trisenox and 85 percent for rituximab/Rituxan. Similar increases were found in trastuzumab/Herceptin for breast cancer, which jumped 78 percent.

"The only drug price that decreased with time was ziv-aflibercept/Zaltrap for metastatic colorectal cancer," the researchers note. "The drug was approved in 2012 and launched in the U.S. with a

high and controversial price tag of more than \$110,000 annually. After a public outcry led by Memorial Sloan Kettering Cancer Center in New York, manufacturer Sanofi immediately cut the price in half. By the end of the follow-up period in 2017, costs had decreased 13 percent.

"Regardless of competition or supplemental indications, our study found that there is a steady increase in costs of patented anticancer drugs over time," the researchers say. "We believe that new regulations may be needed to prevent additional increases in drug [costs](#) after launch especially since Medicare is legally prohibited from negotiating [drug prices](#)."

More information: Noa Gordon et al, Trajectories of Injectable Cancer Drug Costs After Launch in the United States, *Journal of Clinical Oncology* (2017). [DOI: 10.1200/JCO.2016.72.2124](https://doi.org/10.1200/JCO.2016.72.2124)

Provided by American Associates, Ben-Gurion University of the Negev

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