# Harvoni Is Mostly Cost Effective, But Budget Impact Will Be Huge

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In most cases, Harvoni (ledipasvir/sofosbuvir) is cost effective when compared with older hepatitis C virus (HCV) treatments, but treating all of those in need will be stratospherically expensive, MedPage Today reports. Publishing their findings in the Annals of Internal Medicine, researchers used mathematical modeling to compare using Harvoni with an older standard of care requiring a protease inhibitor, interferon and ribavirin to treat both treatment-naive and treatment-experienced people for the virus.

Harvoni added 0.56 quality-adjusted life-years (QALY) on average, at an incremental cost-effectiveness ratio (ICER) of $55,400 per additional life-year. A QALY takes into account both the length and quality of life: One year of perfect health equals one QALY, while a year of less-than-perfect health equals less than one QALY, in proportion with how much less than perfect an individual's health is during that time. In the context of this study, the ICER is the price needed to achieve an additional QALY.

The ICER varied greatly, from $9,700 to $284,300, depending on treatment history, hep C genotype, and the presence or absence of cirrhosis.

Using a willingness-to-pay threshold of $100,000 on the part of the insurers, the researchers deduced that treatment would be cost effective for 83 percent of the treatment-naive and 81 percent of the treatment-experienced individuals.

The researchers estimated that 1.6 million people will be eligible for hep C treatment during the next five years. Paying for all their treatment would cost insurers $136 billion, a figure that is $65 billion higher than treating with the older drug regimens. Treating with the new, more effective Harvoni would save $16 billion in drug costs.

The study assumed that Harvoni costs insurers $1,125 per day, the set price for the single-tablet therapy. However, in recent months various pharmacy benefit managers have secured discounts for Harvoni, which may improve the outlook both in terms of cost-effectiveness and overall cost burden.

To read the MedPage Today story, click here.

To read the study abstract, click here.

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