Hep C Drugs Saddle Largest Insurer With Enormous Expense

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UnitedHealth Group, the nation's largest insurer, paid $100 million for hepatitis C virus (HCV) medications during the first quarter of the year, MedPage Today reports. The figure was much larger than expected and has proved a drag on the company's stock price.

The news points to pent-up demand and the rush to access hep C treatment after the U.S. Food and Drug Administration (FDA) approved two revolutionary new drugs, Gilead Sciences' Sovaldi (sofosbuvir) and Janssen's Olysio (simeprevir), at the end of 2013. The drugs are each highly expensive: Sovaldi costs $84,000 and Olysio $66,000 for 12 weeks of treatment. This trend spells bad news for Medicaid and Medicare budgets as well as for the bottom lines of major private insurers that neglected to consider such costs when determining 2014 insurance premiums.

In a surprise to many, considering Sovaldi's apparent supremacy in the market and the drug's tendency to hog headlines, The Wall Street Journal has reported that the first quarter of the year saw $354 million in sales for Olysio. By comparison, Sovaldi sales are predicted to possibly pass the $1 billion mark during the same period.

Olysio sales may have been boosted by the American Association for the Study of Liver Diseases' recommendation that those with genotype 1 of hep C who are interferon intolerant receive 12 weeks of therapy with Sovaldi, Olysio and ribavirin. Otherwise, Sovaldi is the recommended therapy.

To read the MedPage Today story, click here.

To read the Wall Street Journal story, click here.

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