Hep C Fuels Health Care Spending

March 7, 2016 By Casey Halter

By the end of 2015, U.S. health care spending was expected to grow nearly 6 percent from 2014, according to the Centers for Medicare and Medicaid Services (CMS). Expanded coverage under the Affordable Care Act and the rising cost of prescription drugs are mostly to blame for the uptick, Health Affairs blog reports.

Many experts predicted that spending would rise because of health care reform. However, the huge jump in prescription drug prices in 2014—an increase of nearly 12 percent from the previous year—was largely unforeseen.

These experts have pointed to the introduction of new hepatitis C virus (HCV) treatments—such as Gilead Sciences' Sovaldi (sofosbuvir) and Harvoni (ledipasvir/sofosbuvir), and AbbVie's Viekira Pak (ombitasvir/paritaprevir/ritonavir; dasabuvir)—as largely responsible for the increase.

About 150,000 people per year in the United States have used the HCV cures, which can cost upward of $90,000 for a standard 12-week course of therapy, costing the federal government nearly $14 billion in annual expenditures during the past two years.

However, while spending on hep C drugs remains very high—estimated to have hit nearly $14.4 billion in 2015—prescription drug costs overall seem to have leveled off over the first quarter of 2016. Much of this spending slowdown could be attributed to many states' prioritizing HCV treatment for only the sickest people, and limiting treatment based on a variety of exclusionary criteria.

Recent recommendations from medical advocacy groups like the American Association for the Study of Liver Diseases and the Infectious Diseases Society of America are now pushing for the treatment of nearly all diagnosed hep C cases. That makes health care spending over the next few years highly unpredictable.

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