New York Insurance Companies Probed Over Hepatitis C Drug Restrictions

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The New York attorney general has launched an official investigation against health insurance companies in the state, alleging that they have been unfairly restricting coverage for new hepatitis C virus (HCV) drugs since they came out more than two years ago, The Wall Street Journal reports.

According to New York state attorney Eric Scheiderman's office, subpoenas have been served to 16 health insurance companies, including all major commercial plans in the state, requesting documents on how the companies' are determining eligibility for HCV treatment under their plans. So far, representatives from Aetna, CareConnect and EmblemHealth Inc. have confirmed they received letters.

The official inquiry centers on whether insurance companies are engaging in deceptive practices over the expensive new treatments, and whether insurers are accurately disclosing what they cover and consider "medically necessary" under their plans. So far, the investigation has found that most of the insurance plans have been restricting hep C treatment until livers have already been severely damaged by the virus. The report also alleges that between 50 percent and 90 percent of New Yorkers whose doctors prescribed them Harvoni (ledipasvir/sofosbuvir) were denied coverage by their insurers over the last year.

Currently, the hep C treatment Harvoni costs $94,000 per person for a standard 12-week course of treatment, a price that many insurers have argued is prohibitively expensive to keep up with demand. However, since the treatment can cure HCV in 90 percent to 99 percent of cases, the drug's maker, Gilead Sciences, says the treatment is fairly priced, when compared with the lifetime cost of untreated HCV. Additionally, Gilead says it has given steep discounts to health insurers over the last few years to help mitigate insurance costs, including a 50 percent rebate

for New York state Medicaid programs.

Health authorities say about 15,000 hep C cases were diagnosed in New York state in 2014, about half of which were in New York City. According to the attorney general’s office, thousands of people living with HCV may have been illegally denied treatment under these policies.

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