Pricing Strategy Could Help States Treat More Hep C

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Leading experts in hepatitis C virus (HCV) care and policy are recommending a new pricing strategy that could help states ramp up their treatment efforts. The proposed solution, published in the Annals of Internal Medicine, aims to help state lawmakers leverage competition among drug manufacturers and ultimately lower prices for the medications.

The state-level recommendations were included in an extended USC-Brookings Schaeffer Initiative for Health Policy report at the University of Southern California. It aims to address the fact that most insurers, state Medicaid programs and state prison systems currently cannot afford to treat all the estimated 3.5 million Americans who have hep C.

Meanwhile, drug manufacturers argue that in order to continue to innovate they must maintain high prices for hep C treatment—a push-and-pull that leaves many sick people unable to access lifesaving cures.

Under the proposed model, states would leverage their resources with a particular pharmaceutical company, offering a lump sum payment over a period of time that would generate more revenue than they would ordinarily expect in that time period but less than Medicaid would pay to all the companies producing the treatment.

In exchange, the company would agree to provide a 100 percent rebate on drug purchases for a population chosen to receive the cure, such as prisoners. This deal would allow states to expand treatment access while remaining within their budgets.

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