



State Spending on Hepatitis C Drugs Soared in 2014

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New treatments for the hepatitis C virus (HCV) caused a huge rise in U.S. Medicaid expenditures in 2014, despite the fact that most states tightly restricted access to the drugs, according to a recent Wall Street Journal [analysis](#) of federal public health data.

Financial reports from the first nine months of 2014 show that states spent \$1.08 billion on Sovaldi (sofosbuvir) overall. The hep C cure, which is made by Gilead Sciences, boasts over 90 percent efficacy, but costs up to \$84,000 per person in the United States for a standard 12-week course of treatment.

States also spent an additional \$136.3 million for the HCV drug Olysio (simeprevir), which is made by Janssen Therapeutics, often in combination with Sovaldi.

Reports also show that HCV spending varied widely from state to state. New York spent the most on Sovaldi, at just over \$297 million for the drug—or 7.6 percent of the state's total drug spending. California came in second, spending \$86.94 million on the drug during the same time period.

Texas, which has the third-largest Medicaid population behind California and New York, was the only state to not spend any money on Sovaldi. However, Texas has now made AbbVie's HCV combo drug, Viekira Pak (ombitasvir/paritaprevir/ritonavir, dasabuvir), which was approved in December 2014, available to patients with advanced liver disease.

Medicaid spending on new hep C drugs is likely to continue climbing over the next few years, especially as states begin negotiating up to 40 percent discounts that Gilead and AbbVie are offering as part of the companies' ongoing price competition.

However, even with the discounts, most states will likely continue to limit treatment access to only the sickest hep C patients until prices go down.