VA and DOD Spent Nearly $500M Treating Hepatitis C in 2014

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Sovaldi (sofosbuvir), the new hepatitis C virus (HCV) drug from Gilead Sciences, is seriously threatening the budgets of both the U.S. Department of Veterans Affairs (VA) and the U.S. Department of Defense (DOD), the Military Times reports.

Both federal agencies claim to have already spent millions of dollars on the drug over the past year treating patients living with HCV. Sovaldi hit markets in December 2013.

Sovaldi is listed at a commercial price of $1,000 per pill, or $86,000 for a 12-week course of treatment. The VA and the DOD have since negotiated more than 40 percent discounts with Gilead for the hep C drug.

Despite the price cuts, the VA claims it spent $370 million overall treating more than 5,400 veterans with Sovaldi. At the same time, the Pentagon spent $124.6 million on new hepatitis C treatments for its beneficiaries.

The VA reserves Sovaldi treatment to only its sickest patients—those with advanced liver disease or those who need a transplant. Overall, the VA has 174,000 more untreated hepatitis C patients in its system.

The DOD is covering Sovaldi, as of now, but requires its beneficiaries to get prior authorization to access the drug and is using mail-order pharmacies to distribute it.

However, the DOD is planning to review the cost and efficacy of all new hep C medications in May to decide which drugs will ultimately be put on their guidelines. The VA has asked Congress for about $1.3 billion in additional funding to cover hep C drug costs.

Gilead maintains that the high price of Sovaldi in the United States is fair, considering the cost that went into developing the drug and the fact that it cures HCV far more effectively and quickly than older treatments.

So far, Gilead has made more than $11 billion on Sovaldi and is expected to make more than $200

billion on the drug overall.

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