Australia’s Hep C Announcement - Smoke and Mirrors?

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Announcement by Australia’s Federal Health Minister that New Hep C Medicines are to be listed on Australia’s PBS. Is It Just Smoke and Mirrors?

Background

In Australia we have a government funded health insurance scheme call the PBS (Pharmaceutical Benefits Scheme). This scheme subsidizes various approved medications so that residents can purchase them at affordable prices.

Hepatitis C treatments using Interferon + Ribavirin and Simeprevir have been approved on the PBS for a number years and are essentially free to people approved for treatment. PBS approval for these two treatments has been triaged and about 3,500 people have been treated each year on the PBS. The cost of an Interferon + Ribavirin or Interferon+Simeprevir treatment was around $50,000. The success rate with these treatments was around 60%. Because of the low success rate of this form of treatment and the terrible side effects Interferon was being phased out in 2015 and my understanding is that the treatment was due to cease entirely in 2016.

In the mean time Federal Health bureaucrats have been negotiating with Gilead and Bristol Myer Squibb for an affordable purchase price for the new generation Hep C treatments that would replace the Interferon based treatments. Gilead was holding out for a price of about $80,000 per treatment and the government was saying that it would not pay more than the $50,000 it was currently paying for the Interferon based treatments.

Then along came the flood of India generic meds onto the Australian market. Gilead must have seen that its negotiating position was rapidly slipping as more than 100 Australians every week started treating their Hep C with imported generic Sofosbuvir and Daclatasvir and Ledipasvir.

At the same time the Hep C situation was getting a lot of news media attention and pressure was being put on the Federal government to make the new Hep C treatments available to all Australians with Hep C.

Then yesterday the Federal Health Minister sent a press release around the Australian news media, which was published without question by our news outlets. There was no questioning of the figures, no analysis of the claims. All critical commentary was totally absent because it was announced with much fanfare that the Federal Government had made $1 billion available for eradicating Hep C from Australia. That Australia would be the first country on Earth to eradicate Hepatitis C.

I was sent a copy of the press release by a friend in the news media and asked for a comment.

My comment was “This reads like rubbish, there is no costing and no numbers.”

My friend in the news media was appalled by my cynicism and accused me of be negative about what was a great thing. The government was doing a great thing for people with Hep C. I hope this is so and I am wrong and he is right but perhaps this “ new money” for Hep C is just political smoke and mirrors.

Firstly if you go past the headlines and read the details it is actually one billion to be spent over 5 years, about $200 million a year, or the same amount as was being spent already each year on treating people with Interferon. This means in real terms that the PBS scheme will treat about 4,000 people each year, or less than half of the 10,000 new cases every year if Gilead has agreed to a figure of $50,000 per treatment. If it is half that, say $25,000 per treatment then the $200 million dollars per year may almost cover each year’s new cases of Hep C in Australia.

Every year there are around 10,000 new reported cases of Hepatitis C in Australia.

Last year about 4,000 people are treated with Interferon based treatments in Australia, this has been the case for the past five years.

So over the last five years this already cost the government 1 billion dollars.

So this supposedly “new” money is not new at all. All this one billion dollars does is shift the spending from Interferon to the new DAAs.

Whilst it is very good to see the end of Interferon treatment at best this money will only treat the annual increase and will do nothing to reduce the overall number of people with Hep C. And it is very likely access will be triaged.

If it was not triaged the entire one billion dollars would be totally used up in two years just treating the years new cases plus another 20,000 people from the existing pool of people with Hep C. So it would have no impact on the remaining 200,000+ people who have already been diagnosed with Hep C.

So it seems to me that this is a sad, sad cynical case of political spin in response to the publicity that is being focused on the Hep C issue.

The truth is that the Federal Health Minister Susan Ley actually refused to speak to Dr Freeman when he flew up to Canberra to discuss the issues surrounding Hepatitis C treatment with her a month ago.

I really do not want to sound ungrateful because I am really happy for the people who will be able to get access to these meds but the reality is that most people will not get access and access will be heavily triaged as is the case in the UK where the government there pulled the same stunt earlier this year.

I get at least two or three emails every day from desperate people in the UK who have been refused access to the NHS Hepatitis treatment scheme “Because they are not sick enough.”

I sincerely hope this will not be the case in Australia and that my cynicism is unjustified and that in five years everyone who has Hep C in Australia will be cured.

I hope that is what happens.