Prescrire International Editorial

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The drug pricing racket

Researchers from US public health and health economics institutions studied the price of 58 cancer drugs approved in the United States between 1995 and 2013 (1).

According to this study, newer drugs do not prolong survival compared to older drugs. Yet drug prices have increased by a staggering 12% per year. For example, an additional year of survival cost 54 000 dollars in 1995, 139 000 dollars in 2005 and 207 000 dollars in 2013 (prices expressed in 2013 US dollars, to adjust for inflation) (1).

"Willingness to pay". These researchers found that the prices charged for cancer drugs have risen to a level that corresponds to the amount studies by health economists have shown the public is willing to pay per year of life gained (1).

This strategy involves applying the economic concept of "willingness to pay" to health (2). It is easy to imagine study respondents reporting that they are willing to spend large sums of money to stay alive for an additional year. But what if they were very old or in very poor health? And whose money would be used, society's or their own?

It is dangerous and absurd to apply this concept to health. If we apply it to drugs, why not extend it to all healthcare procedures? In which case, how much would parents be willing to pay for a midwife to remove an umbilical cord wrapped around the neck of their newborn baby? How much would patients pay for a life-saving tracheotomy? And so on...

Finally, the situation is not quite what it seems, for while these extortionate prices are certainly real, they are very often based on little more than the hope of tangible benefit. For example, 36 of the 54 cancer drugs authorised in the US between 2008 and 2012 were approved on the basis of surrogate efficacy endpoints. And for 86% of these 36 drugs, after several years of follow-up, there was still no evidence that they prolong survival (3).

Taking a stand against the drug pricing racket. A group of US oncologists is urging patients to sign a petition calling for cancer drug prices to be lowered. The French Cancer League (*Ligue Contre le Cancer*) has started a similar petition. Such initiatives are worth supporting and expanding.

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Selected references from Prescrire's literature search.

1-Howard D et al. "Pricing in the market for anticancer drugs" *J Economic Perspect* 2015; **29** (1): 139-162.

2- Prescrire Rédaction "Les analyses médico-économiques. Partie 2. Les méthodes des économistes pour calculer l'efficience d'une option de soins" *Rev Prescrire* 2015; **35** (379): 379-384.

3- Kim C and Prasad V "Cancer drugs approved on the basis of a surrogate (outcome?) end point and subsequent overall survival: an analysis of 5 years of US Food and Drug Administration approvals" *JAMA Int Med* 19 October 2015: 2 pages.

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