

Exorbitant prices

The exorbitant prices set by pharmaceutical companies for many new drugs are causing concern around the world.

To cite just one example: the price of *nusinersen* (Spinraza[°]) for some types of spinal muscular atrophy, at nearly 85 000 euros per vial, results in a treatment cost of 500 000 euros the first year and 250 000 euros for each successive year (see page 290 in this issue).

In return for this cost, it is not even known to what extent patients will experience any major improvement in their quality of life and their life expectancy.

The committee of the French National Health Authority (HAS), charged with health economics assessment, questions if this price will be sustainable for the French health insurance system.

Such prices make access to treatment impossible in many countries. The "value" of a drug for healthcare rests, first and foremost, on the assessment of therapeutic benefits, harms and ease of use. However, price also contributes to this "value", because it determines access to the drug. A drug with a favourable harm-benefit balance, but offered at a price that is unaffordable for a large proportion of patients, is a drug whose value is reduced or eliminated, if it is not accessible at all.

As expressed by the French Muscular Dystrophy Association (AFM-Telethon), there is concern that the price of Spinraza[°] will undermine access in France, not only to this drug, but also to others. Even with very limited volumes of sales, paying for such expensive drugs assumes that either new sources of income for the health insurance system can be found, or more probably, that other health-related expenditure will be reduced, but if so, which? Spending on hospital staff? Care for other patients?

The exorbitant price of drugs can be analysed in various ways: moral, political, or industrial, but there is one which has the merit of being understood by everyone. When money is used for something or someone, it is no longer available for something or someone else. This is what economists call "opportunity cost" or "alternative cost".

Throughout the world, the outrageous price of some new drugs is eroding their practical value, both for the patients who need them and for the community that they form part of.

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