While there is no agreed upon definition of specialty drugs, they are generally high-cost medications that treat complex or rare conditions such as cancer, multiple sclerosis, and rheumatoid arthritis and require special handling and administration.

“The skyrocketing prices of specialty drugs are unsustainable. While health plans and others work to expand affordable health care coverage, drug makers continue to push the limits on high prices. Now is not the time for record-breaking prices. Now is the time to rally around affordable health care and get more Californians covered.”

Charles Bacchi, President and CEO
California Association of Health Plans
High-price specialty drugs have come under increased scrutiny since the December 2013 release of Gilead Sciences’ Hep C medication, Sovaldi, which costs $1,000 per pill. Now, Gilead has released an even more expensive Hep C medication, Harvoni.

First Sovaldi, Now Harvoni

**First Sovaldi, Now Harvoni**

- **Sovaldi**: $84,000
- **Harvoni**: $94,500

**WHAT’S NEXT?**

- **Sovaldi**
- **Harvoni**

**U.S. Prices Blow Past Other Countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Price (12-week cycle)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$94,500</td>
</tr>
<tr>
<td>U.S.</td>
<td>$84,000</td>
</tr>
<tr>
<td>U.K.</td>
<td>$57,000</td>
</tr>
<tr>
<td>France</td>
<td>$51,000</td>
</tr>
<tr>
<td>India</td>
<td>$900</td>
</tr>
<tr>
<td>Egypt</td>
<td>$900 - $150 - $250</td>
</tr>
</tbody>
</table>

**Estimated Cost to Manufacture**

- **U.S.**: ~$150 - $250
- **U.K.**: ~$50 - $100
- **France**: ~$150 - $250
- **India**: ~$50 - $100
- **Egypt**: ~$50 - $100

**Impacts**

The high price of treating Hep C with specialty drugs in the U.S. and California

- **Sovaldi is projected to raise everyone’s premiums by $600 every year.**

**United States**

- **Cost of Sovaldi**: Instantly double U.S. drug spending
- **Cost of All Other Drugs**: $300 billion

**Estimated 600,000 Californians have Hep C**

- **93,000 People in Medi-Cal & Prisons with Chronic Hep C**

**At $84,000 per treatment, Sovaldi comes at a high price for California.**

**Uproar**

Leaders object to high price of Hep C specialty drugs

- **“Harvoni is, essentially, son of Sovaldi. States are having a hard enough time with Sovaldi, so imagine what it’ll be like with Harvoni.”**
  - Medicaid Health Plans of America

- **“Never before has a drug been priced this high to treat a patient population this large, and the resulting costs will be unsustainable for our country.”**
  - Steve Miller, Chief Medical Officer
  - Express Scripts

- **“If we treated 26 patients, that would be equivalent to our entire drug budget for the county jail system—for everybody—for a year.”**
  - David Woods, Chief Pharmacy Officer
  - San Francisco Public Health Department

- **“[The price of Sovaldi] is bleeding health and welfare plans around the country.”**
  - Nicholas E. Chimicles, Attorney
  - Southeastern Pennsylvania Transportation Authority

For more information, please go to www.calhealthplans.org