



CAHP's On Target series highlights noteworthy information we believe is valuable to the ongoing California health care dialogue. Colossal price tags for drugs like Gilead Sciences' Harvoni and Sovaldi means California taxpayers could be on the hook for billions of dollars to treat hepatitis C in patients enrolled in state-funded programs. [A new study](#) shows that treating just five percent of hepatitis C patients in California could cost \$500 million, and that's with the 50 percent discount. These costs are unsustainable for people, programs and payers.

## Study Predicts Huge Toll Of Hepatitis C Drugs On California Budget

July 1, 2015 | By Anna Gorman

"California taxpayers could be on the hook for billions of dollars to treat hepatitis C patients in various state-funded programs, according to a report released Tuesday...The analysis commissioned by the California Association of Health Plans estimates that paying for the



patients' high-priced hepatitis C medications in prisons and state hospitals, or through Medi-Cal and other state programs, could range from \$512 million to \$5.1 billion...

**"With a slew of new high-priced drugs set to hit the market this year ... this report really shows how that number can be multiplied. It could be a huge hit to the taxpayers."**

– Charles Bacchi, President and CEO  
California Association of Health Plans

"The new hepatitis C medications are a vast improvement...but their staggering cost has prompted a national debate about their outsized bite into health care budgets..."

"An estimated 3.2 million people nationwide have hepatitis C, a virus that is the leading cause of cirrhosis and liver cancer..." [Read more here.](#)

## What Others Are Saying About High-Priced Drugs

"While there are life-saving advances in some specialty drugs, it is critical that clinical guidelines for these drugs look at whether lower cost conventional strategies should be considered first. Californians simply can't continue to afford the rising costs of specialty drugs"

-- Ann Boynton, Deputy Executive Officer  
CalPERS Benefits Programs, Policy and Planning

"This study is further evidence that we simply do not have the resources to pay for these treatments at their current prices. Since hepatitis C disproportionately affects the Medicaid population, state Medicaid programs like California's Medi-Cal will be hardest hit. This inability of states to pay as a result of pharmaceutical companies' pricing model is a barrier to eradicating hep C. Imagine if Jonas Salk did this for the polio vaccine -- the iron lung would not be a thing of the past. It boils down to this: Are these treatments really miracle cures if no one can afford access to them?"

-- Jeff Myers, President and CEO  
Medicaid Health Plans of America

Read more about what others are saying [here](#).

To read the full analysis and accompanying infographic, please [visit Hepatitis C Specialty Drugs: Prevalence, Treatment and Cost Projections for State of California](#) and [Hepatitis C Drugs' Costly Impact on California](#).

For more information on the impact of high-priced drugs, please see [Spotlight on Specialty Drugs](#).

**California Association of Health Plans** a statewide trade association representing 45 full-service health plans. CAHP works to sustain a strong environment in which health plans can provide access to products that offer choice and flexibility to the more than 24 million members they serve. For more information, visit [www.calhealthplans.org](http://www.calhealthplans.org) or call (916) 552-2910.