



CAHP's On Target series highlights noteworthy information we believe is valuable to the ongoing California health care dialogue.

In the latest On Target, the [Los Angeles Times'](#) Jon Healey examines CAHP's [new report](#), which finds California taxpayers could be on the hook for billions of dollars to treat hepatitis C in patients enrolled in state-funded programs. Healey's analysis raises important questions about why these drugs are so expensive and what can be done to help mitigate the high costs of all specialty drugs in the pipeline.

Opinion: New study says Hepatitis drugs could cost state taxpayers billions

Los Angeles Times

July 2, 2015

By: Jon Healey

Los Angeles Times

"Jaws dropped earlier this year when Gov. Jerry Brown told the Legislature that he wanted to set aside \$300 million for two years' worth of specialty drugs for Medi-Cal users, state prisoners and others covered by state health programs. Even with a general fund of more than \$110 billion, \$300 million is nothing to sneeze at.

"We the people clearly have an interest in lowering the price of these specialty drugs, especially if they represent the first of many such costly treatments."

"This week, a [new study](#) suggested that Brown may have been low-balling the cost of those new drugs. By a lot.

"The study...estimates that the state could face up to \$5 billion just for two specialty Hepatitis C drugs in the coming 12 months. Anything close to that number would blow a giant hole in the budget the state adopted, which included only \$228 million in extra specialty drug funding...

"That's a lot of money not spent on other priorities, whether it be child care subsidies for low-income parents, repairs to aging state highways or dental care for the poor....There's little interest in making the drugs harder to obtain; instead, the question is how to make them less costly...

"For their part, drug-makers say the prices of specialty medicines should reflect the cost of the treatments a patient would avoid by taking the drug. But that standard hasn't been used for other medications, largely because it would make them unaffordable. For example, imagine how high the price of the HPV vaccine would be if it were based on the cost of cervical cancer treatments. No one could afford to be vaccinated."

Read more [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

CAHP is 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, please visit www.calhealthplans.org or call (916) 552-2910.