



# THE EVER-INCREASING COST OF ONCOLOGY DRUGS

An estimated 176,140 Californians were diagnosed with cancer in 2017 – the equivalent of **20 new cases every hour of every day**. Medical advancements and innovative treatments are saving lives and decreasing incidence rates. But as the price of new and existing therapies continue to climb they pose an increasing threat to the affordability of our overall health care system.

With many oncology medications now priced at more than \$100,000 per year and spending expected to continue growing in the years ahead, it's crucial that we tackle the issue of affordability now to ensure we can keep our health care system healthy for those who need it most.

Source: American Cancer Society

## BY THE NUMBERS

**1,735,350**  
Estimated new U.S. cancer cases in 2018

**\$147 Billion**  
Estimated spend on oncology drugs in 2018

**\$150,000**  
Average annual cost of a new cancer drug launched in 2017

## DANGEROUS DOUBLING

Average monthly oncology drug costs more than doubled:

**\$7,103** in 2006 → **\$15,535** in 2015

U.S. Cancer drug spending doubled over the past 5 years and is expected to double again by 2022

2022: \$100 billion

2017: \$50 billion

2012: \$24.8 billion

**\$79,000** IN 2013

**\$150,000** IN 2017

Average launch price for cancer drugs doubled and is expected to continue rising

## SIX FIGURE PRICE TAGS. THE NEW NORMAL.

All oncology drugs launched in 2017 carried prices of more than \$100,000 per year. This is what the new normal looks like:

[All Costs Annual]

Source: NIH Source: Reuters Source: The Balance



## BREAST CANCER SPOTLIGHT

Breast cancer is the most commonly diagnosed cancer in women. Along with the diagnosis, rising costs brings a second challenge to women – extreme financial burden for survivors, families and the overall healthcare system.

**OVER 3.5 MILLION U.S. WOMEN HAVE A HISTORY OF BREAST CANCER.**



Go-to treatment regimens are pricey and getting pricier:

**Perjeta/Herceptin costs \$158,000 per year**

**In 2018, Lynparza was released at \$13,886 PER MONTH.**

**Herceptin's price has risen 78 PERCENT**



# THE EVER-INCREASING COST OF ONCOLOGY DRUGS

## CAR-T Cell Therapy Estimated Costs

Pre-Treatment Testing, CAR-T Prep & Conditioning	\$24,000
CAR-T Treatment	\$479,000
Post-Treatment Monitoring	\$400,000
Post-Discharge Monitoring	\$65,000
<b>Total Cost of Treatment</b>	<b>\$968,000</b>

## MILLION DOLLAR TREATMENTS

Gene therapies, like CAR-T, are closer than ever to curing cancer, but with treatment costs approaching one million dollars the devastating impacts a single drug can have on the whole health care system are becoming alarmingly clear.

The cost of these treatments is extraordinary. If these CAR-T drugs were used to treat 250,000 cancer patients per year—just 40% of the Americans who die annually from cancer, annual drug spending in the U.S. would increase by approximately \$93 billion—**an almost 20% increase in the country's total annual drug spending—for one single medication.**

Source: Wall Street Journal

"A potential revolution in cancer care may be stymied by the high price of drugs, which suggests that we need to reconsider how we price them."

**Dr. Ezekiel Emanuel**

Vice Provost and Chair of the Department of Medical Ethics and Health Policy at the University of Pennsylvania.

"The one truth about cancer drugs is that prices are always higher than they were the year before. Now, every time we get a new drug that costs more, it signals that you can get away with charging even more."

**Peter B. Bach**

Director of Memorial Sloan Kettering's Center for Health and Policy Outcomes

## THEN & NOW: Concerning Pricing Models

**2001**  
GLEEVEC  
INTRODUCED  
\$26,000  
PER YEAR

**2015**  
PATENT  
EXPIRES

Gleevec first entered the market in 2001 with a \$26,000 a year price tag. By the time its patent expired, it had hit \$120,000 a year despite the passage of time and introduction of generics—two factors pharma commonly claims should help control drug prices.

Source: Forbes Source: Asco Journals

**EARLY 2016**  
GENERIC  
VERSION  
INTRODUCED

**2018**  
NEW  
PRICE  
\$120,000  
PER YEAR