

Doctors protest high prices of cancer drugs in US

By Brad Dixon
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In a commentary appearing in the journal *Mayo Clinic Proceedings* in July, a group of 118 oncologists called for measures to address the skyrocketing prices of cancer drugs, which have increased by five- to ten-fold over a period of 15 years. “It’s time for patients and their physicians to call for change,” said the commentary’s lead author, Ayalew Tefferi, a hematologist at the Mayo Clinic.

The second signatory of the commentary, Dr. Hagop Kantarjian, chairman of MD Anderson Cancer Center’s leukemia department, has been leading a campaign against the high costs of cancer drugs. In April 2013, he published an editorial in the medical journal *Blood*, that was signed by 100 other cancer experts, which argued that the prices of new chronic myelogenous leukemia (CML) drugs “are too high, unsustainable, may compromise access of needy patients to highly effective therapy, and are harmful to the sustainability of our national healthcare systems.”

The *Blood* editorial noted that 11 of the 12 drugs approved by the FDA for cancer indications in 2012 were priced above \$100,000 per year. In 2014, the *Mayo* commentary observes, all of the newly approved cancer drugs were priced above \$120,000.

The *Mayo* commentary cites an article recently published in the *Journal of Economic Perspectives* which examined 58 anticancer drugs approved between 1995 and 2013. The article’s authors found that the average launch price of anticancer drugs, adjusting for inflation and health benefits, rose by \$8,500 each year—an annual increase of 10 percent.

The high drug prices, the authors write, means that cancer patients “have to make difficult choices between spending their incomes (and liquidating assets) on potentially lifesaving therapies or foregoing treatment to provide for family necessities (food, housing,

education).”

The *Mayo* commentary comes on the heels of the 2015 annual meeting of the American Society of Clinical Oncology (ASCO) held in Chicago where the high drug prices were criticized during the meeting’s plenary session by Dr. Leonard Saltz, chief of gastrointestinal oncology at Memorial Sloan Kettering Cancer Center. The meeting, attended by an estimated 25,000 doctors, is sponsored by the pharmaceutical industry, making the remarks unusual for the venue.

“Cancer-drug prices are not related to the value of the drug,” Saltz told the *Wall Street Journal*. “Prices are based on what has come before and what the seller believes the market will bear.”

Novartis’s cancer drug Gleevec, for example, which pulls in nearly \$5 billion a year for the drug company, has more than tripled in price since it was first approved in 2001—jumping from a wholesale price of \$2,624 a month to \$9,210. Even with health insurance and a full-time job, patient co-pays for Gleevec can be as high as \$2,000 a month.

As *Forbes* staff writer Mathew Herper commented, the price increase of Gleevec “happened partly because competition increased and, as new drugs entered the market at higher prices, Novartis raised its price too. The normal law of supply and demand worked in reverse.”

The reform measures proposed by the doctors, however—such as FDA determinations of fair prices, allowing Medicare to negotiate drug prices, and patent reform—have little chance of ever being implemented and, moreover, do not address the primary cause of the surge in drug prices: the subordination of healthcare, medicine, and drug discovery to the profit system.

This was made clear by the response of the pharmaceutical industry’s trade association PhRMA to

the *Mayo* commentary, which took on the character of naked extortion: The pharmaceutical industry, which has higher profit margins than any other industrial sector, says that if patients refuse to pay exorbitant drug prices, then the drug industry will refuse to produce life-saving drugs.

“The policy proposals they recommend,” said Robert Zirkelbach, spokesman for PhRMA, “would, if adopted, send a chilling signal to the marketplace that risk-taking will no longer be rewarded, stopping innovation in its tracks and halting decades of progress in cancer care.”

Opposition to rising drug prices is growing. According to a Health Tracking Poll published last month by the Kaiser Family Foundation, 72 percent of Americans feel that drug costs are unreasonable, while 74 percent felt that drug companies put profits before people.

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