

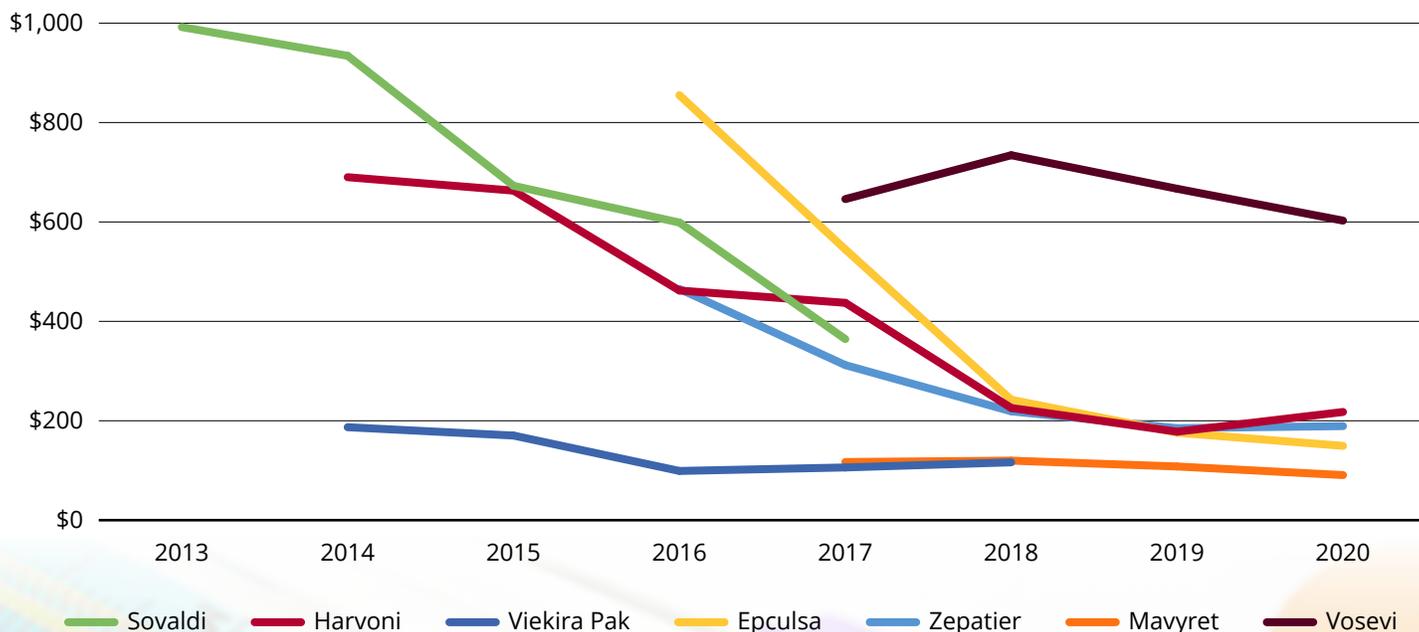
PBM^s USE COMPETITION TO NEGOTIATE LOWER NET COSTS FOR HEPATITIS C TREATMENTS

In 2013, the first hepatitis C virus (HCV) drug was approved by the Food and Drug Administration (FDA) and marketed as a virological cure for HCV infection. Sovaldi, from Gilead, was priced at a then-unprecedented \$84,000 for a 12-week course of treatment, or \$1,000 per pill. As Sovaldi was the only marketed cure for HCV in 2013 and early 2014, Gilead offered no rebates on it. Beginning in 2014, competitor direct-acting antiviral (DAA) drugs became FDA-approved and marketed by other drug companies. Once competitors appeared in the marketplace, PBMs negotiated significant rebates and the net cost for Sovaldi and Harvoni (the second HCV drug from Gilead) quickly dropped.

Between 2013 and 2021, the list prices for six of the seven HCV DAA prescription drugs shown below stayed at their launch price, even as list prices for drugs in other therapeutic categories soared.¹ For the seventh HCV drug — Zepatier — the list price fell by 60% after less than two years on the market. While the HCV drugs currently on the market are not therapeutically identical, they are potentially therapeutic alternatives. PBMs have been able to leverage the available competition among different brand drugs to reduce net cost for patients and health plan sponsors, including the federal and state governments.

In 2019 and 2020, Eplclusa and Mavyret had the lowest estimated net cost they also had the highest use in Medicare Part D. Seventy five percent of Part D beneficiaries that took HCV drugs took either Eplclusa or Mavyret in 2019.²

Estimated Net Cost Per Unit for Hepatitis C Drugs³



Net cost represents the average annual price minus estimated discounts and rebates from all sources per unit of medication.

Note: For more information on HCV infection and treatments: World Health Organization "[Hepatitis C.](#)"

1 GoodRx. February 2, 2021. "[800+ Drugs Became More Expensive This January — The Largest Number of Increases in Years.](#)"

2 Centers for Medicare and Medicaid Services. Part D Drug Spending Dashboard.

3 PCMA research based on SSR Health analysis of Symphony Health Solutions. Graph does not include all DAA drugs marketed during time period.