

Exploding Cancer Drug Prices



An estimated 56,684 Michiganders were diagnosed with cancer in 2019. As the price of new and existing cancer treatments continue to climb they pose an increasing threat to the affordability of our overall health care system.

With many cancer medications now priced close to \$300,000 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

\$75.5 Billion

estimated spend on U.S. cancer drugs in 2021

\$283,000

average annual cost of a new cancer drug launched in 2021

Dangerous Trends

Average monthly cancer drug costs more than doubled:

\$7,103
in 2006

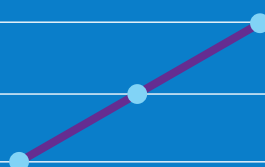
\$25,000
in 2021

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

2022: \$100 billion

2021: \$75.5 billion

2012: \$24.8 billion



\$150,000 In 2017

\$283,000 In 2021

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



\$14,580

Median monthly cost in the US of 65 cancer drugs



\$6,867

Median monthly cost in the UK of the same 65 cancer drugs



\$6,593

Median monthly cost in Switzerland of the same 65 cancer drugs

Source: JAMA Oncology 2021; 7(9) e212026 Supplement

Only **2%** of cancer drugs in England and **13%** of cancer drugs in Switzerland had a median price increases greater than inflation.

NOTE: 74% of cancer drugs had price increases in U.S. that were greater than



CAR-T Cell Therapy Estimated Costs

Pre-Treatment Testing, CAR-T Prep & Conditioning	\$37,000
CAR-T Treatment	\$527,000
Post-Treatment Monitoring	\$400,000
Post-Discharge Monitoring	\$65,000
Total Cost of Treatment	\$1,029,000

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 impact a single drug can have on the whole healthcare system is 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.**

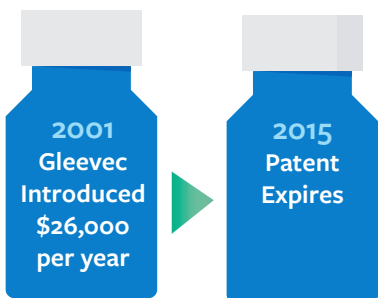
Source: Wall Street Journal

Six Figure Tags. The New Normal.

All cancer drugs launched in 2022 carried prices more than \$200,000 per year.

[All costs annual]

Source: NIH Source: Reuters Source: The Balance

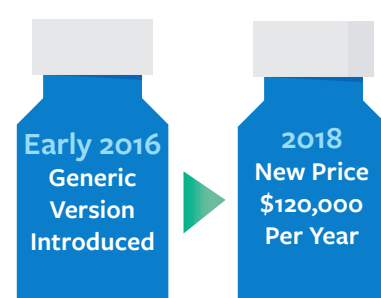


Then & Now: Concerning Pricing Models

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.

"We have tried to live the fantasy that we could afford to give everything to every patient at the same level and not break the bank."

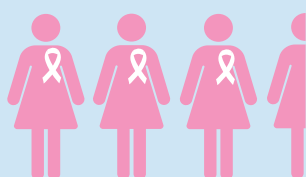
— Leonard Saltz, MD



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 4.7 million U.S. women have a history of breast cancer - 155,880 in Michigan.



Source: 2019 CDC data

Go-to treatment regimens are pricey and getting pricier:

- Perjeta cost **\$5,900 per month** in 2013 to **\$10,440 per month** in 2021 - a **57% increase**
- Herceptin cost **\$9,170 per month** in 2012 and rose **78%** prior to the launch of its less expensive biosimilar in 2019.
- In 2015, Lynparza was released at **\$13,886 per month** and increased to **\$17,460 per month** in 2021 - a **192% increase**

