

CANCER DRUG SPENDING DOUBLED IN PAST FIVE YEARS, EXPECTED TO REDOUBLE IN NEXT FIVE YEARS

Spending on cancer drugs doubled in the past five years and is expected to double again in the next five years, but employers paid most of the increased costs. The average cancer patient with commercial insurance paid less than \$500 per year for outpatient non-retail medicines in 2017, and even those patient costs were often reduced by drug company coupons according to a IQVIA Institute for Human Data Science Study.

The median annual launch price of cancer drugs in 2017 exceeded \$150,000, compared to \$75,000 for new cancer drugs launched 10 years ago. The drugs treat small numbers of patients. An estimated 87 percent of oncology drugs were used by fewer than 10,000 patients last year, the report states.

Last year, 14 new cancer drugs came to market. All were targeted therapies and 11 received breakthrough status from FDA, which means they are a substantial improvement over existing drugs on at least one clinically significant endpoint. Since 2012, 78 cancer drugs have been launched.

So-called specialty drugs are the focus of most of the president's proposals to lower drug costs for beneficiaries and taxpayers. Most specialty drugs are cancer drugs, though the term specialty drug is used loosely and there is no common definition.

IQVIA reported in April that spending on all medicines grew 0.6 percent in 2017, and prices for brand-name medicines increased 1.9 percent, after accounting for rebates. ■