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DECISION-MAKER COMMENTARY

Thirty Years of Media Coverage on High Drug Prices in the United States—A Never-Ending Story or a Time for Change?

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ABSTRACT

In recent years drug prices have increasingly become a topic of debate for patients, providers, payers and policy makers.

To place the current drug price debate into historical context, we searched the New York Times and Wall Street Journal from 1985 – 2015 and found that concerns about drug prices have commonly featured in the press over the study period with recently stronger calls for change.

Price levels, types of innovations, stakeholder responses, and strategies to address high prices discussed in the media suggest that concerted efforts are required to enable affordable and high-value innovations.

Keywords: drug prices, media, New York Times, US, Wall Street Journal.

Introduction

The introduction of a number of breakthrough, highly effective, and high-cost specialty medicines over the past few years has stoked the fire of the long-running drug price debate. The prices of these specialty medicines—above $100,000 per treatment course—have resulted in widespread outcry among patients, providers, insurers, and members of the Congress and the Senate. More such products will come to the market as 700 specialty products—including immune therapy and gene therapy—are currently in the drug pipeline. But does the recent debate's renewed vigor signal a watershed moment? Or is it merely a rehashing of an often-revisited grievance that will be forgotten as "business as usual" goes on?

To put these questions into historical context, we used LexisNexis Academia—a database of legal, news, and business sources—to determine how often the *New York Times* (*NYT*) and the *Wall Street Journal* (*WSJ*) featured articles including the term "drug pricing" from January 1985 through 15th of November 2015. We excluded articles covering stories outside of the United States as well as blog entries. In total we found 926 articles (549 in the *NYT*; 377 in the *WSJ* with a peak of 75 articles from both journals in 2015) including the term. For the purpose of analyzing the media releases, we assigned each article to one of four categories: 1) increase in drug prices, 2) innovation, 3) stakeholder's response, and 4) strategies. In the case in which articles discussed more than one of the topics, we classified them under the dominant theme of the article. In Figure 1, we present the data (as number of media releases per 5 years) per category over time to illustrate how media debate on drug pricing has changed throughout the past 30 years.

Increase in Drug Prices

The concern of increasing drug prices has been a steady topic over the past 30 years (see Fig. 1: *NYT*, December 28, 1985).

In the late 1980s, media coverage on high drug prices centered on the novel AIDS treatment zidovudine (AZT) costing $10,000 per patient per year. A peak in media coverage is noticeable in the mid-2000 due to the launch of new cancer medicines such as bevacizumab (Avastin) for metastatic colon cancer and trastuzumab (Herceptin) for breast cancer, with a price tag of $100,000 per treatment course. More recently, reported prices have reached a new high. For example, ivacaftor (Kalydeco), indicated for a rare condition, cystic fibrosis, is priced upward of $300,000 per patient per year (see Fig. 1: *NYT*, March 23, 2008). Since early 2014, media releases are dominated by the launch of new very effective but at the sometime very expensive high-volume drugs such as the hepatitis C treatments, with sofosbuvir priced around $84,000 for a treatment course (see Figure 1: WSJ, April 1, 2014) and more recently the cholesterol-lowering drugs PCSK9, with Praluent priced around $14,600 per patient per year. However as those medicines are indicated for millions of patients their impact on public health budgets is tremendous and brings a new urgency to the debate.

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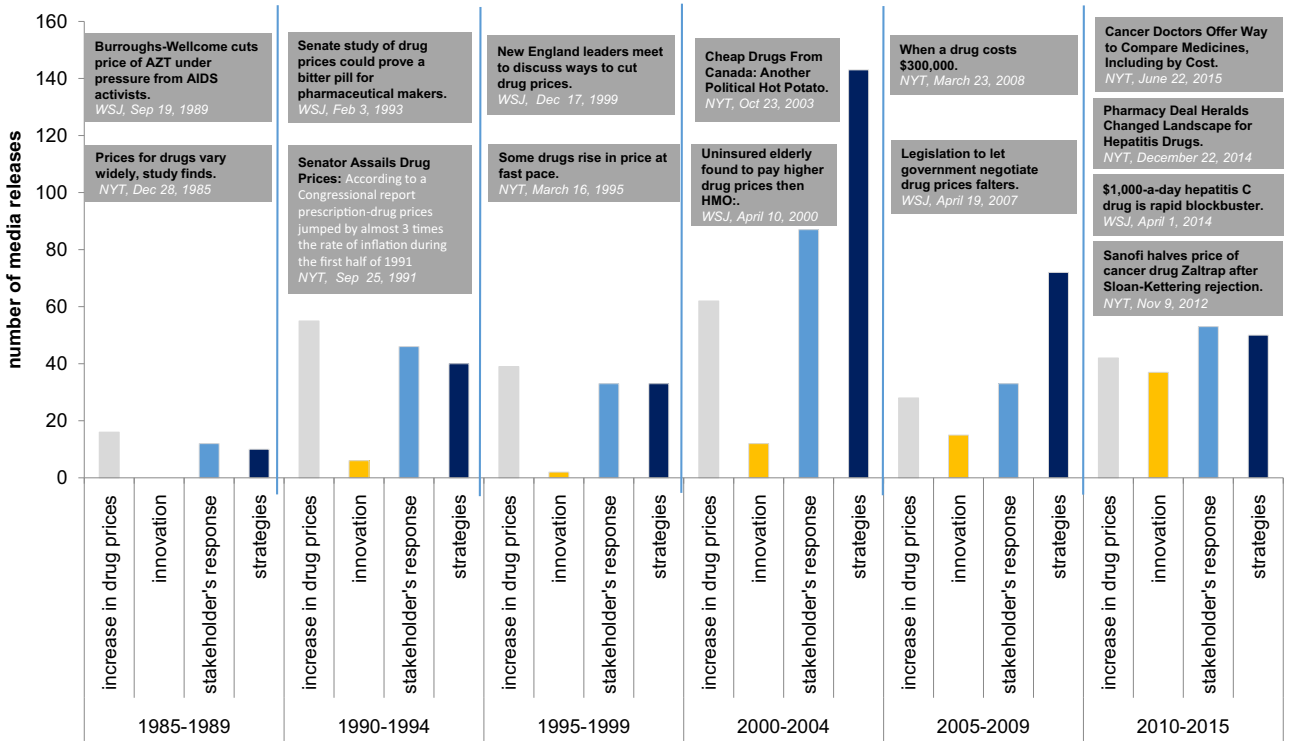

Fig. 1 – Overview of media releases for the term "drug pricing" in the *New York Times* and the *Wall Street Journal* (1985–2015). *Notes*. We searched LexisNexis for the terms "drug pricing" in the *New York Times* and the *Wall Street Journal* from January 1985 until 15th of November 2015 (excluding media releases from outside of the United States and blog entries). Figure 1 shows the number of media releases per content category in 5-year windows. Depicted are either abstracts or full stories in the print or online versions. Boxes show headlines with short explanations and sources of publications selected to illustrate the changing media debate on drug prices over time. (Side note: Reported prices are accounted for inflation $10,000 in 1985 equals to $22,299 in 2015.) (Color version of figure is available online.)

In addition, most recent concerns about steep increases of generic prices have dominated the debate on drug pricing. Repeatedly, it was reported that drug price increases have far outpaced inflation—the most recent estimates report a 75% increase since 2007 [1]—and that launch prices (adjusted for inflation) of 58 cancer drugs approved between 1995 and 2013 have increased by 10% (about $8.500) per year [2].

Innovation

Since 2000, media coverage on the launch of breakthrough innovations (such as orphan medicines) is increasing. This can be traced back to the Food and Drug Administration's approach to increase access to innovative drugs through regulations such as priority review, accelerated approval, fast track review, and breakthrough designations.

These innovations contribute to the drug pricing debate due to their high prices and the combined volume of their use, impacting health care budgets. The number of personalized treatments targeting specific genes or the immune system of small numbers of eligible patients per molecule—like ivacaftor for the treatment of about 2150 patients globally with a specific variant of cystic fibrosis—is rapidly increasing: in 2011, molecules were approved for 22 orphan or rare diseases, each with between 50,000 and 200,000 patients. In addition, new, costly molecules treating millions of patients (such as the new hepatitis C medicines and the new cholesterol-lowering products) are increasingly being launched, leading to heightened concerns about budget impact and sustainability of systems.

Voices in the media are raising the question of why innovations that were developed with funds from the National Institute of Health (funded by American tax payers' money) should cost two to three times more in the United States than in Canada or Europe (see Fig. 1: *NYT*, October 23, 2003). In 1995, the National Institute for Health dropped a provision ensuring that drugs developed with government funds are sold at reasonable prices because the clause presumably drove industry away from potentially beneficial scientific collaborations [2].

Stakeholder's Response

Throughout the past 30 years, high drug prices have been on the political agenda of senators and of the Congress representing a politically sensitive topic (see Fig. 1: *WSJ*, December 17, 1999). In the 1980s, patients' voices prompted the pharmaceutical industry to lower the price of the first high-priced HIV drug. In the years to follow, the voices of retirees, represented by the American Association of Retired Persons, advocated for the implementation of the Medicare Part D drug benefit and are reflected in media coverage peaks between 2000 and 2004 (see Fig. 1: *WSJ*, April 10, 2000). Most recently, however, responses to high-cost medicines seem to be changing, with new stakeholders taking action: in 2012, clinicians at a major cancer center have declined using a new cancer chemotherapy due to its price (see Fig. 1: *NYT*, November 9, 2012); in 2014, Express Scripts, one of the largest pharmacy benefit managers, announced plans to exclude from its formulary 70 high-priced medicines that it deemed to be low value (see Fig. 1: *NYT*, December 22, 2014); in addition, state

Medicaid directors suggested in a joint statement options to address prices of expensive new pharmaceuticals [3]. In June 2015, the American Society of Clinical Oncology proposed a value framework for comparing the relative clinical benefit, toxicity, and cost of cancer treatments (see Fig. 1: *NYT*, June 22, 2015).

Strategies

Throughout the past 30 years, various stakeholders implemented and suggested different strategies to cope with high-priced medicines: 1) *industry* offered to reduce drug prices (see Fig. 1: *WSJ*, September 19, 1989) as well as to distribute discount cards; 2) *states and federal government agencies* mandated drug price discounts for the Medicare Part D program, initiated lawsuits against pharmaceutical companies for overcharging for medicines, and mentioned importing of lower-priced drugs from abroad as well as legal changes to allow for price negotiations and price controls (see Fig. 1: *WSJ*, April 19, 2007); more recently, states have introduced pharmaceutical cost transparency bills requiring the pharmaceutical industry to justify drug pricing [4]; 3) *payers* have typically responded to the introduction of expensive products by limiting access through prior authorization, mandating the use of generics, implementing different co-payment tiers, and shifting an increasing proportion of costs to patients, through higher insurance premiums and coinsurance, co-payments, and deductibles. The establishment of a buyer consortium through which they could negotiate lower prices was also debated in media; 4) *patients* shopped for cheaper medicines abroad or opted to forgo treatment; 5) in 1993, *experts* mentioned the implementation of cost-effectiveness analysis and price control regulations as possible ways forward. More recently, however, experts more strongly call for ways to assess the overall value of a product. They point to examples from Europe and Canada where decision makers use multiple tools to negotiate prices, such as value-based (health technology assessments, pharmacoeconomic analyses), reference-based (international and therapeutic price referencing), and risk-based (managed entry agreements) approaches. As is the case in Europe and Canada, authors suggested using quality-adjusted-life-years—a measure of the state of health of a person or group that defines benefits of products in terms of length and quality of life—to assess benefits of a product compared to its price [5].

Discussion

Our media search on "drug pricing" over the last 30 years showed that high prices of medicines have been a hot topic for a long time. US policymakers have historically been reluctant to embrace price regulations, instead relying on market forces to set prices. In addition, a drug's value is not routinely considered. US drug prices are among the highest worldwide and contribute to devastating consequences of care for patients as medical expenses remain the most common cause of personal bankruptcy [6].

Our optimistic belief is that the recent groundswell of opinion regarding high drug prices, in combination with a changing environment, constitutes a "watershed moment" for legal and policy innovations that provide payers the tools to ensure patient access to effective treatments at affordable prices while continuing to incentivize much-needed innovations. We suggest future research to build on our brief summary of media coverage of drug prices over time. Questions to address include the following: What factors and which stakeholders have prompted media coverage? Which policy and program actions have followed increasing media discussion of drug prices? How can media coverage contribute to a critical and constructive multistakeholder dialogue of health technology innovations' benefits and costs?

In his 2015 State of the Union address, President Obama committed to invest in basic and clinical research for personalized and precision medicines. We strongly advocate for additional funding of policy research to explore the financial impacts of innovations on patients, providers, payers, and the system as a whole and to develop evidence for innovative pricing and reimbursement strategies. We believe that there will not be one single approach to pricing and paying for innovations but rather multifaceted approaches that will need to consider not only safety, efficacy, and cost but also the overall societal value of innovations. For true change, in our opinion, all stakeholders need to act in concert to develop strategies that ensure investment in R&D and guarantee long-term affordable access to needed innovations.

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