

Smart medicines becoming unaffordable

MEDICAL aid schemes have warned that the cost of medicines might be unsustainable in the next few years as the demand for specialised drugs developed through biological origins, known as biologics, was escalating rapidly. Discovery Health said the increase in costs of biologics was well above the general healthcare inflation rate. Biologics are relatively new and are produced using live organisms or their active components. Some biologics are extracted from the bodies of animals or humans, such as whole blood, body organs and tissue transplants. Others are extracted from DNA. The drugs are used mostly in the treatment of conditions such as cancer, rheumatoid arthritis and multiple sclerosis. Between 1990 and 2010, the number of biotech drugs available in South Africa increased from 10 to 210, accompanied by a dramatic increase in the cost of treating diseases. Between 2009 and 2010, medical aid schemes managed by Discovery Health increased their spend on biologics by 28.5 percent, well in excess of the 7.5 percent general increase in the costs of claims. Discovery Health projects that biologics will account for almost 50 percent of the total chronic medication spend by the administrator in 2016, but these drugs will be accessed by only 10 percent of those requiring chronic medication. In 2010, the average cost of treatment for a person using speciality drugs was more than 11 times the cost of the average chronic medication, and in cancer and rheumatoid arthritis as much as 17 times the average cost of non-biologic treatments. An example is the biological drug Herceptin, which is used to treat a person with the aggressive HER2-positive breast cancer. The treatment cost R390 000 for 12 months, and another biologic, Gleevec, cost R360 000 over the same period. Liberty Medical Scheme said the cost could be as much as R720 000 a year in instances of a resistant disease. Biologics often represent the latest biomedical research and can offer life-saving treatment where conventional solutions have failed. However, Liberty argued that these drugs needed to be used sensibly, in the most appropriate patient sub-groups, where robust published clinical trials had demonstrated clinically meaningful benefits. Health and economic research organisation Hexor, which conducted four studies on the use and economic impact of biologics, said South Africa consumed about two percent of the new generation of biologics in 2002 when they were first used in the country. By 2006, this figure had grown to 3.8 percent. Hexor chief executive Tienie Stander said the drugs provided solutions to patients with unmet needs, but given the relatively high price of some biologics, they were usually not indicated for general use as there were lower cost treatment options available in the initial stages of diseases. He said typically, biologics would be reserved for cases that were resistant to these conventional treatments and it was in this indication that they usually provided significant clinical benefits to patients. However, he added that biologics were by no means a panacea or a silver bullet. Liberty was concerned that the pipeline of biologics was extensive and could result in unsustainable medicine expenditure in the near future. Discovery Health said healthcare funders and policymakers needed to find a way to make these important new medicines more affordable on a sustainable basis.