



## BACK TALK

BY SANDER A. FLAUM

# Who's aiming for the feet?

I was amazed by a recent op-ed in the *New York Times* (Sept. 9, 2015) by long-time pharma critic Dr. Ezekiel Emanuel, who acknowledged that sometimes we get it right.

Not that the article was completely favorable. Dr. Emanuel bewailed specialty drug costs while failing to mention that some drugs have revolutionized treatments. He bemoaned pricey cancer drugs that do not cure the disease, barely acknowledging extended median survival times.

But the shock for me was that Dr. Emanuel stepped back from prior attacks on the poster child of pharma greed, Sovaldi. As he admitted: "[Some] drugs are superexpensive but worth it. There was an outcry over paying \$1,000 per pill for Sovaldi. But it helps cure hepatitis C..."

To which I say, *Wow!* If you recall the initial furor, you'd have thought that Sovaldi's price would bankrupt the healthcare system. But managed care organizations and other payers were not discouraged by the chorus of complaints. They did the math. Compared with the cost of a lifetime of managing HCV, an \$84,000 price tag is not only good medicine but also cheap.

Payers are also accepting the new generation of cancer drugs. First, instead of viewing drug costs in terms of therapy years, payers know that for most patients, treatments will be far shorter. New drugs may not offer cures but they provide hope and often additional time. Equally important, they may point to more effective treatments to come.

Let's remember that early advances in HIV seemed remote and slow to arrive; the high prices of new drugs led to violent protests. Yet our industry ensured that patients had access to life-prolonging drugs. And, in time, we turned HIV from a fatal scourge into a manageable disease.

Will this happen with cancer? And will it for Alzheimer's? Why not?

Well, we could shoot ourselves in the foot. Or, more exactly, someone in our industry could shoot us all in the foot. I don't need to add to the torrent of outrage that's already been directed at Martin Shkreli. It's quite a feat to be castigated by both Hillary Clinton and Donald Trump. But a 700% price hike on a 62-year-old drug? Really?

It's not a question of dollars. Daraprim is used so infrequently that the extra cost would not have made a blip in overall drug costs. The issue is the arbitrary fashion with which Daraprim's price was hiked.

**That 700% price hike created an issue that threatens years of progress**

As we all know, the immediate reaction created an issue that threatens to erode years of progress. The FDA was showing signs that it gets it and might be willing to move beyond traditional approval processes. Courts are defending drug patent rights. Payers are covering breakthroughs.

Our opponents would love to harness public outcry and reverse

these trends. How? They could legislate caps on Medicare drug expenditures. They could make price discussions part of a new drug-approval process. They could weaken patent protection. And that's just a beginning.

Let's not play into their hands. The public will never understand prescription drug pricing. Our products will always look like pills that should rightfully cost pennies. But we can try to better explain the costs of drug development and, when we establish prices, seek to be as transparent as possible.

I think even Dr. Emanuel would agree.

*Sander A. Flaum, MBA, is principal, Flaum Navigators, and executive-in-residence and chairman, Fordham Leadership Forum, Fordham University Graduate School of Business Administration.*

## DIRECTORY OF ADVERTISERS

AbelsonTaylor	23
Arteric	13
Constant Media	Cov 2
Doximity	51
Group DCA	Cov 3
ICC, an FCB Health Company	19
inVentiv Health Communications	9
inVentiv Health PR Group	47
Lifescript	29
Natrel	17
New England Journal of Medicine	31
Pace, an FCB Health Company	21
Pacific Communications	15
Palio	35
Sentrix	5
Skipta	7
TrialCard	Cov 4
Triplefin	41



**Medical Marketing & Media** (ISSN 0025-7354) is published monthly by Haymarket Media Inc., 114 W. 26th Street, Fourth Floor, New York, NY, 10001. Telephone 646-638-6000, fax 646-638-6150, website [www.mmm-online.com](http://www.mmm-online.com). Periodical rates paid at New York and additional mailing offices.

**Postmaster:** Send address changes to Medical Marketing & Media, P.O. Box 316, Congers, NY 10920, or call 800-558-1703. Copyright 2015 by Haymarket Media, Inc. All rights reserved under Universal and Pan-American Copyright Conventions. No part of this publication may be reproduced without written permission.

**Subscription Rates:** US \$148 per year; Canada \$178, International and Mexico \$248. Single copies: US \$20, all other countries \$30.