# Medicare Spent $4.5 Billion on New Hepatitis C Drugs in 2014

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Previously undisclosed federal data obtained under the Freedom of Information Act reveals that Medicare spent $4.5 billion on new hepatitis C virus (HCV) treatments in 2014, marking a 15-fold increase for liver disease drugs since new HCV therapies started rolling out in 2013, according to a new report by ProPublica.

Between 2013 and 2014, the Centers for Medicare and Medicaid Services spent most of that money—more than $3 billion—on Sovaldi (sofosbuvir), which costs nearly $1,000 a day or $84,000 for a 12-week course of treatment in the United States. Olysio (simeprevir, often taken with Sovaldi), costs accounted for another $821 million, and older HCV therapies cost an additional $157 million. In 2013, Medicare spent just $286 million on older hep C drugs.

In 2014, Medicare spent $670 million on the hep C combo drug Harvoni (ledipasvir/sofosbuvir) following its approval by the U.S. Food and Drug Administration in October.

According to experts, the rising price tag of new hep C drugs will mostly have to be subsidized by taxpayers, whose federal taxes pay for most of the Medicare Part D Prescription Drug Program. The increase in expenditures could eventually mean higher insurance deductibles and maximum out-of-pocket costs in the future for some 39 million Medicare enrollees.

About 350,000 Medicare beneficiaries are living with HCV. However, that number is expected to increase in the next few years as more Baby Boomers, who are at the highest risk for the virus, get Medicare coverage and get tested for hep C.

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