

Genentech sets price gouging limit for Avastin cancer drug

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(NewsTarget) Earlier this week the pharmaceutical firm Genentech announced that it would institute a price cap for its cancer drug Avastin at \$55,000 per year for patients with a household income of less than \$75,000 a year.

Genentech's announcement follows a decision by rival drug company Amgen two weeks ago to begin selling its colon cancer drug Vectibix at \$4,000 per dose — about 20 percent lower than the price of Bristol-Myers Squibb's similar drug Erbitux.

The price cap for Avastin comes after the U.S. Food and Drug Administration (FDA) approved Genentech's drug for another use, in non-small cell lung cancer. Doctors had complained that the price of Avastin was too high for most cancer patients.

Leonard Saltz, a colon cancer specialist at Memorial Sloan-Kettering Hospital, said, "[The price cap] really makes me feel that [drug companies are] at least getting the message that the gravy train is starting to slow down." Saltz said that even with Genentech's price cap in place, the cost of Avastin is still "egregiously high," and cancer drugs in general represent "an unconscionable price gouging."

Genentech spokeswoman Debra Charlesworth said the price cap is "one step" in the company's efforts to make cancer drugs more affordable for patients. Since the last quarter of 2005, Genentech has donated \$50 million to various charities to help patients cover the high copays on cancer drugs, including those not made by Genentech.

Charlesworth says the price cap was initiated because patients with different forms of cancer that Avastin has been approved to treat can end up paying vastly different prices. For example, lung cancer patients treated with Avastin pay \$56,000 per year on average, while colon cancer patients pay \$44,000. Breast cancer patients are generally

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treated for 11 months, and would likely hit the price cap after about six months, meaning the second half of their treatment would be free.

Although many Genentech investors see the price cap as "good P.R.," others believe the company's efforts to control cancer drug prices will hurt its shares.

Consumer health advocate Mike Adams, author of "Take Back Your Health Power," says cancer patients are paying unacceptable prices for drug therapies.

"The cancer industry preys upon the fear of society's most vulnerable patients, transforming human beings into profit-generating machines, even as their drugs usually offer no measurable benefit whatsoever," Adams said.

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