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## Why Sanofi's Zaltrap Deal Won't Help Patients

By Laura Newman | November 19, 2012 | 1

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Nurse administers chemotherapy to patient. Credit: National Cancer Institute.

I got excited when I read the *New York Times* story Nov. 9 (“Sanofi Halves Price of Cancer Drug Zaltrap After Sloan-Kettering Rejection”). Zaltrap is an intravenous infusion drug for metastatic colon cancer that is resistant to or has progressed with platinum-based chemotherapy. With a list price of \$11,000 per patient per

month, Zaltrap is about double the cost of Genentech’s Avastin. Sloan Kettering doctors rejected Zaltrap, claiming it offered no added value over Avastin, because it works no better than Avastin, and costs twice as much.

Doctors from Sloan-Kettering Cancer Center, one of the United States flagship cancer hospitals, published an *op-ed* in the *NYTimes* Oct. 14, titled “In Cancer Care, Cost Matters,” arguing that hospitals need to put their foot down when drugs are outrageously expensive with no added value. They wrote: “Soaring spending has presented the medical community with a new obligation. When choosing treatments

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for a patient, we have to consider the financial strains they may cause alongside the benefits they might deliver.”

The importance of getting bang for your buck, or value in healthcare, has been a huge point in health policy circles in the United States. In fact, politicians of all stripes are quick to point to health outcomes data that show that despite the United States spending in the top tier of all nations for healthcare, health outcomes are far lower.

What Sanofi announced in its response Nov. 8 to Sloan-Kettering, one could have easily thought that it was a victory for patients. However, the *New York Times* headline stating “Sanofi halves price...” is misleading. Sadly, the Zaltrap half-off deal is not a list price reduction at all. It is just a business discount plan for hospitals and oncologists. As Lisa Jane Hubbell, who uses high-cost disease modifying drugs for a noncancerous, chronic condition told me: “It won’t help patients, will it? Our copay will be based on full price, the docs will pocket the extra from insurance companies. It doesn’t really help anyone who is in need of help paying for healthcare.”

Another woman with stage IV breast cancer says that she has been deemed ineligible for any discount for her high-priced cancer drugs because she is insured. In general, drug discount plans go to the uninsured. She emailed me: “The drug I took for five years was re-patented three times while I was on it, as I recall. It was orders of magnitude more expensive than the old standby tamoxifen for only a slight advantage in efficacy.”

As *The Times* points out, Medicare patients are unlikely to see a lower price for Zaltrap for a long while until the discount is incorporated into Medicare payment calculations for Part B, which covers physician-administered drugs. In addition, oncologists have long marked up drugs that they administer for insurers and patients.

Fortunately, Sloan-Kettering doctors are on the patients’ side and question whether Sanofi’s discount will make Zaltrap more affordable for patients. Peter Bach, MD, told me: “I don’t know if they’re going through steps to ensure reimbursement goes down to follow price or not. I’m hoping that is in their plans. If not, then yes, the windfall goes to providers, and our concern is the costs passed on to patients.” Leonard Saltz, MD, the op-ed coauthor, and gastroenterology oncologist, from Sloan Kettering also called Sanofi to task for missing the boat in making Zaltrap affordable for patients.

But pharmaceutical price fixing is nothing new, according to Frederic Kaye, MD, professor of hematology and oncology at the University of Florida in Gainesville, Florida. “I saw this happen for the first time in the late 1980s when a veterinary pill levamisole, which cost pennies for the treatment of heartworm, underwent a 100 times price escalation when it was used for treating colon cancer. There was outrage at the time over lack of regulations for price fixing, but you see almost 25 years later, it is the same.”

Sanofi’s drug discount plan is clearly a business imperative. If one of the US flagship cancer treatment centers says that they will not use Zaltrap, others could follow. But the refusal to lower Zaltrap’s list price is worrisome because patient copays are based on price.

More importantly, if the Sanofi plan becomes the pharmaceutical industry’s *modus operandi* to the era of value-based healthcare, patients will still remain out in the cold,

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without any added relief for the high cost of drugs. Value-based healthcare will be something for facilities and hospitals and leave patients out in the cold.

These days, you have to critically review the hoopla about “patient-centered health care” and the allegedly positive partnerships shaping healthcare. Were patients included when it really mattered in drafting this drug discount program? We need to maintain a high level of skepticism about deals made strictly between drug companies and hospitals, or arrangements made between industry and physicians, or industry and health plans. It’s been said before and it must be said again: “Nothing about me [the patient] that pertains to me should be done without me at the table.”



**About the Author:** Laura Newman writes about medicine, health policy, and clinical outcomes research. She has a long-term interest in healthcare reform and what matters to patients. She has written news in health and medicine in peer-review journals, on the web, and for newsletters. Laura blogs at [Patient POV](#), is active on twitter at [@lauranewmanny](#), and she is especially interested in integrating patients into health reform efforts. Follow on Twitter [@lauranewmanny](#).

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This is an excellent post. Why do profits always trump patients? Maybe we need some new regulations for hospital/big pharma relationships. Hospitals, drug companies, and physicians have an ethical duty to patients. What happened to that?

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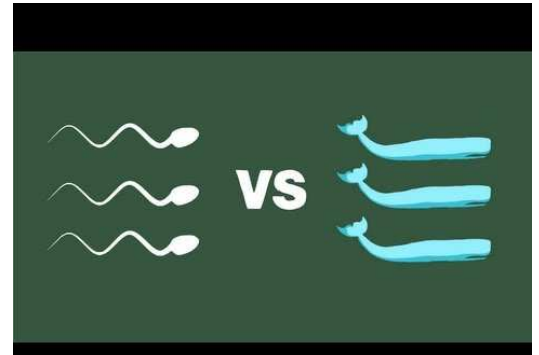
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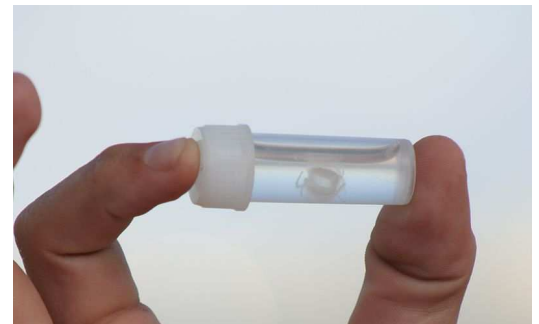
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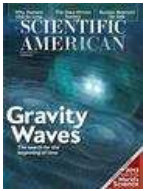
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