

# The banal evil of drug pricing

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Martin Shkreli was the most hated man on the internet for a brief time this week. His company, Turing Pharmaceuticals, pushed up the price of a medicine, pyrimethamine, used to treat a life-threatening disease from \$13.50 (approx R185) to \$750 (approx R10,250) a pill.



marcelohpsoares via [pixabay](#)

Shkreli is dislikeable. Read [this](#), [this](#), [this](#) and watch [this](#):

He has since backed down and said he will reduce the price. Though exactly what the new price will be and when the price reduction will take place is unclear. While Shkreli is an obvious target, the everyday price-gouging of the reputable members of the pharmaceutical industry is much more troubling. Hopefully, the public attention on Shkreli will help shine more light on this.

## An effective alternative to Pyrimethamine

Pyrimethamine is traded as Daraprim, both in the US and South Africa. It came to market in the US in 1953 as a malaria treatment. It is also used to treat toxoplasmosis, a deadly but infrequent parasitic illness that affects pregnant women, people who have had transplants and people in the advanced stages of AIDS. If you watched the 1996 movie *Trainspotting*, you might recall that one of the characters, who had HIV, died after contracting the disease from a cat. The parasite that causes the disease actually infects about one in five people, but very, very few will ever get sick (or sick enough to require treatment).

I spoke to a few South African doctors. A private GP said that in his several decades of practice he'd never once prescribed the drug or seen a case of toxoplasmosis. An intensive care specialist at a large public hospital said he'd treated someone recently with the disease, but successfully used another drug called cotrimoxazole. A public sector AIDS specialist said he couldn't recall prescribing it. "We just use cotrimoxazole, and it's very effective," he told me.

A US doctor told me that if pyrimethamine "prices itself out the market" patients with toxoplasmosis can be switched to cotrimoxazole. Both in the US and South Africa cotrimoxazole is widely available, sold by many companies, and very cheap. It's an excellent drug used to treat many illnesses, and it saves the lives of many people with HIV. Nevertheless, there are some patients for whom pyrimethamine is a necessary option, for example if they're allergic to cotrimoxazole or their toxoplasmosis is especially serious.

Pyrimethamine (in combination with sulfadoxine) is also seldom used to treat or prevent malaria in South Africa. However, the World Health Organisation recommends it as malaria prophylaxis for pregnant women, stating that "all possible efforts should be made to increase access to this drug in all areas with moderate to high malaria transmission in Africa".

## **No bearing on SA**

The US price hike has no bearing on South African prices of pyrimethamine. Aspen Pharmacare sells the drug here (under the trade name Daraprim). A month's supply is about R243 (excl VAT). And pyrimethamine in combination with sulfadoxine (for malaria prophylaxis) is sold by Acacia Pharma for R209 (excl VAT). I use the term "sold" a bit loosely; experts I've spoken to were doubtful you'd find the drug easily.

So in a nutshell: pyrimethamine is infrequently used to treat an uncommon disease, toxoplasmosis, for which there's usually (not always) an effective alternative, cotrimoxazole. Pyrimethamine is a component of a pill used in high-incidence malaria areas in Africa, but the US price hike is not material to that. Nor is the US price hike relevant to the South African market - which barely exists - for the drug,

## **Naivete, cluelessness, and greed**

But Shkreli's absurd price hike is not the first high-profile one, nor even the first time Shkreli himself has done this. He did the same at another company that sold a drug to prevent kidney stones in some patients. The price of cycloserine, used to treat drug-resistant TB, was also recently increased to \$10,800 for 30 pills from \$500 (since rescinded).

A leading AIDS activist offers a mundane but plausible explanation for what's going on: "I don't understand the behaviour of these kinds of bottom-feeding companies that buy old drugs and jack up the price when the markets are still so limited that the possible upside in terms of profit is so minimal. I can't ascribe it to competence, so I tend to think it's a combination of naivete, cluelessness, and greed."

My suspicion is that these are attempts to push down the prices of stocks that have been sold short, but I'm just guessing. (Shkreli's claim that the profits will be for R&D for new toxoplasmosis drugs is nonsense, but explaining that is for another article.)

## **Price gouging**

Reputable pharmaceutical companies also engage in price gouging. Sofosbuvir is a new and effective treatment for hepatitis C, a life-threatening condition that has until recently been very difficult to treat. It is patented by Gilead, a leading drug company. A three-month course of it is priced at over \$80,000 in the US, and this is just one of the drugs needed by hepatitis C patients. European health care systems are also being charged tens of thousands of Euros for it. At least Gilead is negotiating significantly lower prices, and allowing generic access, for developing countries including South Africa, but

this is no excuse to rip off US patients and European health systems (to Gilead's credit their HIV drug pricing strategy has been fairer than most).

The same excessive pricing applies to a new hepatitis C drug manufactured by Bristol-Myers Squibb called daclatasvir. And cancer drugs in the US manufactured by Roche and Novartis are also heavily overpriced, a new study has found. They're overpriced far beyond the US actually.

These are much more serious problems than the pyrimethamine price hike. I've met executives from some of these big companies. Unlike Shkreli, they are mostly personable, apparently reasonable, even caring; you could invite them to your mother's place for dinner. But if you think Shkreli is unusually evil, excessive pricing by the reputable pharmaceutical companies is banal evil, and far more deadly.

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