

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Giase</i>	DATE <i>9-14-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>01120</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>* Ref log # 52</i> <i>cc: Mr. Beck</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>9-23-11</i>
<i>Closed 10/11/11, letter attached.</i>	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			



CONSULTANTS IN
GASTROENTEROLOGY

September 7, 2011

- Vasa W. Cate, MD, Retired
- Richard M. Lawson, MD
- S. Gabe Saleeby, MD
- March E. Seabrook, MD, FACG
- Eric J. Heinzlmann, MD
- John W. Schaberg, MD, FACG
- Gene W. Stuart, MD
- Rajeev Vasudeva, MD, FACG
- Jessica Anderson, RN, ANP
- Angela Darby, RN, FNP

Melanie Giese
 South Carolina Department of Health and Human Services
 Post Office Box 8206
 Columbia, South Carolina 29202-8206

Dear Melanie:

Thanks very much for responding to my letter regarding the exorbitant cost of treatment for hepatitis C patients. As I indicated, there are two new protease inhibitors that are on the market. It is my understanding that the wholesale acquisition cost (WAC) of these two drugs is substantially different. I really do want to know which one costs me (the taxpayer) less. Though I am a physician and I care for my patients, I also care for the solvency of a system gone crazy. Of the two drugs that are now available, the Telaprevir reportedly costs over \$49,000 for the 12 weeks of treatment. This is not including Ribavirin and Interferon. The other medicine, Boceprevir, cost anywhere from \$23,000-\$32,000. Both of these numbers are extraordinarily high to me and before I am going to place one of my patients on these medicines, I really do want to know which one costs more. I do not think it is appropriate in this world of "transparency" that you would hide behind some act that must be outdated.

I want to help this state; I do not want to hurt it and I think you can help me in this matter.

Yours Most Respectfully,

March E. Seabrook, M.D.

MES/acs

pc: Senator Ronnie W. Cromer

RECEIVED
 Dept. of Health
 & Human Services

SEP 14 2011

Medical and
Managed Care Services

West Columbia
 131 Summerplace Drive
 West Columbia, SC 29169
 803-794-4585

Northeast Columbia
 11 Gateway Corners Park
 Columbia, SC 29203
 803-462-2300

St. Andrews
 7033 St. Andrews Rd, Suite 304
 Columbia, SC 29212
 803-794-4585

Lexington
 811 W. Main St. Suite 208
 Lexington, SC 29072
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\$00.44⁰

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OFFICE OF DIRECTOR

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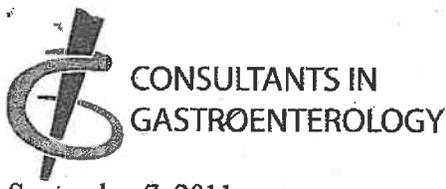


TO <i>Greese/Williams</i>	DATE <i>9-14-11</i>
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1. <i>Val allio</i>	<i>10-10-11 10-6-11 10-5-11 9-29-11</i>		
2. <i>BB Dier</i>	<i>10/11 04/2 B</i>	<i>10/5 10/2 10/10</i>	
3.			
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REF. 19 5 2



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October 11, 2011

March E. Seabrook, M.D.
Consultants in Gastroenterology
131 Summerplace Drive
West Columbia, South Carolina 29169

Dear Dr. Seabrook: *March*

Thank you for your letter regarding the cost of Ribavirin and Telaprevir, which are, used for the treatment of hepatitis C patients. We welcome the opportunity to be of assistance.

The South Carolina Department of Health and Human Services (SCDHHS) works very diligently to ensure that Medicaid pays the lowest possible cost for drugs. Under the federal rebate system, the drug payment amount to the pharmacist and/or physician has little correlation to what Medicaid ultimately pays for that drug. The net cost of drugs is determined after rebates are paid to South Carolina Medicaid. These two (2) drugs will be presented at the Pharmacy and Therapeutics (P & T) Committee meeting in November to determine which drug may be given preferred status if appropriate. We will certainly make your concerns known to the P & T Committee members as they deliberate this matter. Once the recommendations of the committee on this class have been incorporated into the Preferred Drug List (PDL), South Carolina Medicaid will also receive additional supplemental rebates from the manufacturer on the selected product, further reducing the net cost to the Medicaid program. All PDL selections are subject to change as we continue working with the manufacturer to determine the supplemental rebates each manufacturer is willing to provide Medicaid. Unfortunately, Medicaid is not permitted to publish the actual unit rebate amounts that are granted to the program.

With the data that we currently have available, it appears Ribavirin would be the more cost effective of the two. However, because one product (Telaprevir) is for a fixed length of time and the other (Ribavirin) is for a range, and these products have only been on the market for a couple of months, it is difficult to build an accurate cost projection at this time. We would like to discuss your concerns in-depth to ensure that we incorporate your thoughts in the coverage decisions on these drugs. Mr. James Assey, our Medicaid Pharmacy Consultant, will contact you to set up an appointment prior to the P & T Committee meeting.

Thank you for contacting us and for the continued participation in the South Carolina Healthy Connections Medicaid program. If you have any additional questions or concerns please feel free to contact Mr. James Assey at (803) 898-2660.

Sincerely,

Melanie "BZ" Giese, RN
Deputy Director

MG/ws