



[RunawayRx](#), a project of the California Association of Health Plans, highlights noteworthy articles and information on the acceleration of prescription drug pricing.

For the second time this year, Gilead Sciences Inc. has raised the price of important HIV medications which will soon go off patent. This tactic, called “product hopping,” pressures patients and physicians to switch to newer treatments, disrupting potential transitions to cost-saving generics should they enter the market when the patents expire. As Ed Silverman explains, this is a common pricing strategy in the pharmaceutical industry that points to the need for more transparency around prescription drug pricing.

Gilead’s new price hikes on HIV drugs anger AIDS activists

By Ed Silverman

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STAT

“As part of a strategy to switch patients to newer HIV treatments, Gilead Sciences late last week raised prices on a pair of older HIV medications that face patent expiration. This sort of maneuver is often found in the pharmaceutical playbook, but is triggering still more criticism by AIDS activists of its overall pricing strategies.

“Here’s what Gilead did: the company raised the wholesale acquisition cost, or list price, for the two older medicines — Complera and Stribild — by 7 percent, to \$2,508 and \$3,469 a month, respectively. This follows price hikes of 7 percent and 5 percent last January, which Cowen analyst Phil Nadeau noted is a deviation from the typical annual price hikes that Gilead takes on its HIV drugs...

“By boosting prices for the older HIV treatments twice in just six months, Gilead is clearly hoping that doctors will prescribe its newer drugs...

“The most recent round of price hikes has angered AIDS activists, who say the higher prices reflect indifference to the ability of payers to absorb higher drug costs. Gilead already has been skewered over the cost of its very effective hepatitis C medicines. A US Senate investigation last winter claimed the company put profits ahead of patients...”

Read More at: <https://www.statnews.com/pharmalot/2016/07/05/gilead-hiv-aids-drug-prices/>.

The California Association of Health Plans’ RunawayRx project sheds light on the acceleration of prescription drug pricing and how it impacts health care affordability, encouraging a route toward sustainable pricing. For more information, please visit www.RunawayRx.org or follow us on Twitter at [@Runaway_Rx](https://twitter.com/Runaway_Rx).

“With both public and private payers seriously struggling under the weight of drug price increases that are seriously out of lockstep with rates of inflation in the US — burdens that are ultimately felt by every American — the move should be to lower drug prices to provide a competitive edge.”

**–Tim Horn, HIV Project Director
Treatment Action Group**