



The [latest example](#) of drug companies gaming the system comes from Marathon Pharmaceuticals. The company recently gained approval to sell a decades-old muscular dystrophy drug, Emflaza, at a price that is 50-to-70 times higher than what it sold for in the U.K. Emflaza was approved as an “orphan drug,” meaning Marathon will also receive a voucher for faster FDA approval on its next drug.

Despite the drug’s new \$89,000 price tag, Marathon’s corporate leadership maintains that the 70 percent price hike is “modest” as many orphan drugs are priced at \$300,000 or more for a single course of treatment.

Marathon Pharmaceuticals to Charge \$89,000 for Muscular Dystrophy Drug After 70-Fold Increase

By Joseph Walker | February 10, 2017

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“A drug to treat muscular dystrophy will hit the U.S. market with a price tag of \$89,000 a year despite being available for decades in Europe at a fraction of that cost.

“Marathon Pharmaceuticals LLC’s pricing of the drug, which has been available in Europe, is the latest example of a business model that has drawn ire from doctors, patients and legislators in recent years: cheaply acquiring older drugs and then drastically raising their prices...

“The U.S. Food and Drug Administration on Thursday approved Marathon’s drug, a corticosteroid called deflazacort, to treat a rare type of muscular dystrophy that affects some 12,000 boys in the U.S., most of whom die in their 20s and 30s. The drug isn’t a cure, but it has been shown to improve muscle strength, the FDA said in a statement announcing the approval...

“The company will start selling the medicine under the brand name Emflaza in March...

“Because Emflaza was approved as an orphan drug, Marathon received a valuable FDA “voucher” that [allows it to demand a faster approval decision from the FDA](#) on its next drug. Marathon can use the voucher itself, or sell it to another company. The vouchers were created by Congress to promote the development of rare-disease drugs and have fetched as much as \$350 million in previous transactions.

“Pharmaceutical companies are under mounting scrutiny for their pricing of drugs, many of which now approach or exceed \$100,000 annually per patient. Many companies say the prices are necessary to justify their large investments in discovering and developing new treatments... (Marathon CFO) declined to say how much Marathon spent to acquire the trial data or conduct original research.”

Read More: <http://on.wsj.com/2l1E2yV>.

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/RunawayRx).

“...Marathon increased my cost for the drug by more than \$87,000 a year.”

*- Christine McSherry
Purchases Drug for Son, Jett*

“It’s modestly priced for an orphan drug.”

*- Babar Ghias
Chief Financial Officer
Marathon Pharmaceuticals LLC*