

**Department of Veterans Affairs
Hepatitis C Infection and Drug Therapy**

The Department of Veterans Affairs (VA) is the largest provider of care in the US for chronic hepatitis C virus infection (HCV), and is regarded as a national leader in this area. VA is committed to providing timely access to high-quality HCV care for all Veterans.

Veteran Population with documented Hepatitis C: VA currently has 174,000 Veterans in care with documented HCV, making it the largest HCV provider in the United States. There could be approximately another 42,000 HCV patients who have not yet been tested. Twenty-five percent of VA HCV patients have advanced liver disease (also known as cirrhosis) and the number of liver cancer patients among Veterans has increased 10-fold in the last decade.

Cost of HEP-C Treatment: VA has moved rapidly to deploy new, more effective and less toxic treatments for HCV. In non-VA settings, the primary drug, sofosbuvir, sells for \$1,000.00 per capsule. By contrast, through contract negotiations, VA has reduced the cost of this drug to \$543 per capsule, *essentially cutting the cost in half*. VA was able to receive similar discounts on the second new drug, simeprevir. In the last 7 months, over 2,900 patients have been started on these new drugs.

FY 2014 Program Costs as of July 22, 2014: In late 2013, the new life-saving hepatitis-C drugs came on the market. As of July 2014, VA spent approximately \$110M on the new drugs and expects to spend another \$110M by the end of the Fiscal Year. With these funds, VA expects to treat approximately 7,500 Veteran patients in 2014. VA's "base case" pharmacoeconomic modeling for the new drugs projects \$650M per year from Fiscal Year 2015 onward, until all patients have been treated. Precise cost estimates are unavailable at this time because of the many variables in the model, which cannot be known until they are actually observed (e.g., number of patients accepting treatment, clinic capacity, pricing of new drugs, etc). New HCV treatments are expected to be available in the next several months and VA is actively planning to use these new drugs to treat Veterans with HCV.
