

Ther-Rx Lowers Price of Medication In Light of Public Pressure But Remains Drastic Increase from Original \$15

WASHINGTON – Congresswoman Louise Slaughter (NY-28), Ranking Member of the House Rules Committee, today said that while the drugmaker Ther-Rx may have taken a step in the right direction, the price of premature birth medication Makena remains unfairly high.

This morning the drug maker, Ther-Rx, announced initiatives that would reduce the list price of the Makena, a drug used to prevent pre-term births, from \$1,500 to \$690 per injection. The announcement comes after public outcry as they attempted to increase the price of the drug 100-fold. Previously, this medication was sold by compounding pharmacies for \$15.

Last week Slaughter lead a letter to the President of Ther-Rx Corporation outlining the dangers of pricing mothers and families out of vital medication that would reduce premature births.

“While I am glad the company is taking a hard look at their prices, the proposed price reduction doesn’t go far enough to protect public health” warned Slaughter. “This medication is still almost fifty-times what it was a month ago. We must ensure that pregnant moms have the medications they need to protect themselves and their babies, and excessive corporate profits must not get in the way of life-preserving medication. What will be really helpful is the FDA’s plan not to take enforcement actions against compounding pharmacies that produce an equivalent medication to prevent premature birth. That will help give mothers they help they need.”

Slaughter’s letter, signed by 20 members of Congress from both parties, is included below.

March 30, 2011

Mr. Gregory Divis, Jr.

President

Ther-Rx Corporation
Corporate Headquarters
One Corporate Woods Drive
Bridgeton, MO 63044

Dear Mr. Divis:

We recently learned that the Ther-Rx Corporation plans to sell a common medication that prevents premature birth for \$1,500 per dose --- a 100-fold price increase from the current price of approximately \$15. The proposed price increase to hydroxyprogesterone caproate injections is unconscionable, given that Ther-Rx did not invent this medication and therefore did not fund most of the research and development. We have deep concerns about the public health implications of your proposed pricing structure.

Premature births are one of the most significant health challenges facing the nation, and we are concerned that this price increase will prevent women from accessing medications that prevent premature births.

Every year, more than one half million babies are born premature in the United States, according to the Centers for Disease Control and Prevention. Prematurity is the number one cause of death for infants. Moreover, premature birth has lifelong health implications, including raising the risk of intellectual disabilities, cerebral palsy, respiratory conditions, vision and hearing loss, as well as digestive problems. Preventing premature birth is pivotal to protecting America’s children.

Not only will it endanger human health, but this price increase will raise health care costs for taxpayers and employers alike.

Previously, specialized pharmacies compounded this medication, and individual doses were estimated to cost between \$10 and \$20. Recently, the FDA provided orphan-drug approval to this medication, granting Ther-Rx Corporation a monopoly for seven years. Following the issuance of orphan drug approval, Ther-Rx Corporation indicated its intent to charge \$1,500 per dose. Given that an individual woman can expect to take 15 to 20 doses, a regular course of treatment may cost between \$22,500 and \$30,000. With as many as 140,000 eligible women, the cost to the health care system could be as high as \$4.2 billion.

The dramatic rise in price of this premature birth medication will create roadblocks harming vulnerable women seeking to have healthy, safe pregnancies. Premature birth has significant and long-term implications for children, and we urge the Ther-Rx company to consider the grave public health ramifications of this price increase.