



Financial & Ethical Implications of New HCV Therapy

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Objectives

1. List the basic economic variables that impact healthcare markets.
2. Describe current healthcare markets for HCV treatments.
3. Explain the impact of payer policy on HCV treatment.
4. Discuss various ethical considerations involved in the decision to treat HCV infection.



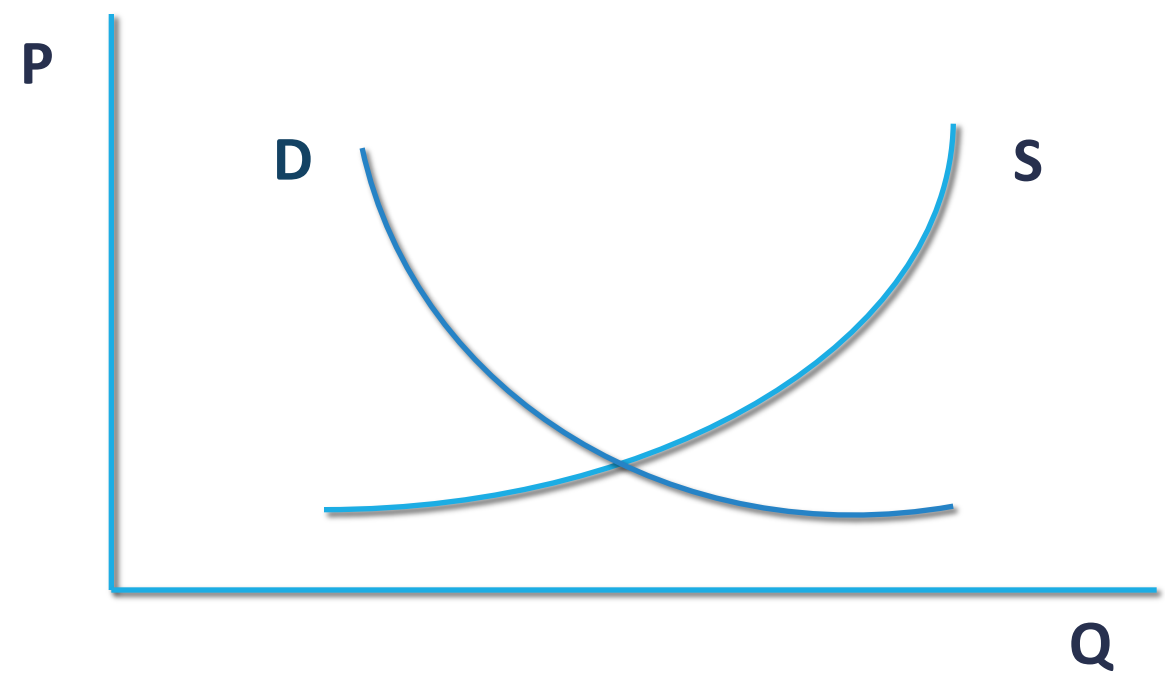
Disclosure Statement

The speaker has no conflicts to disclose.



Back to Basics

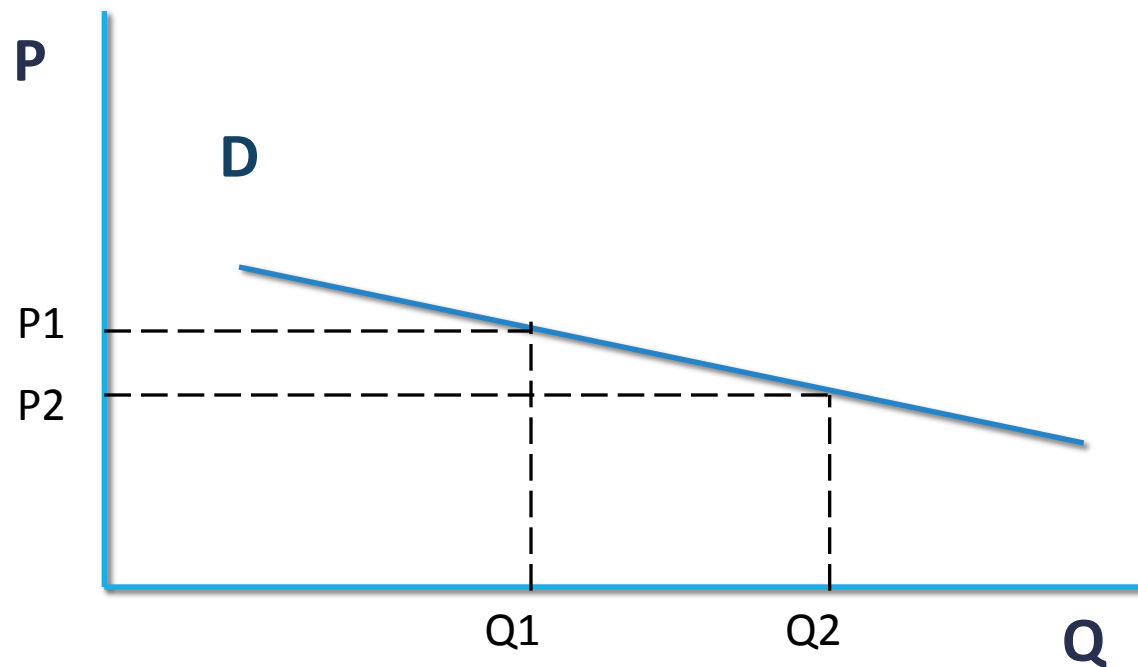
Does anyone know what this is?





Back to Basics

Focusing on **Demand**: “Relatively Elastic”

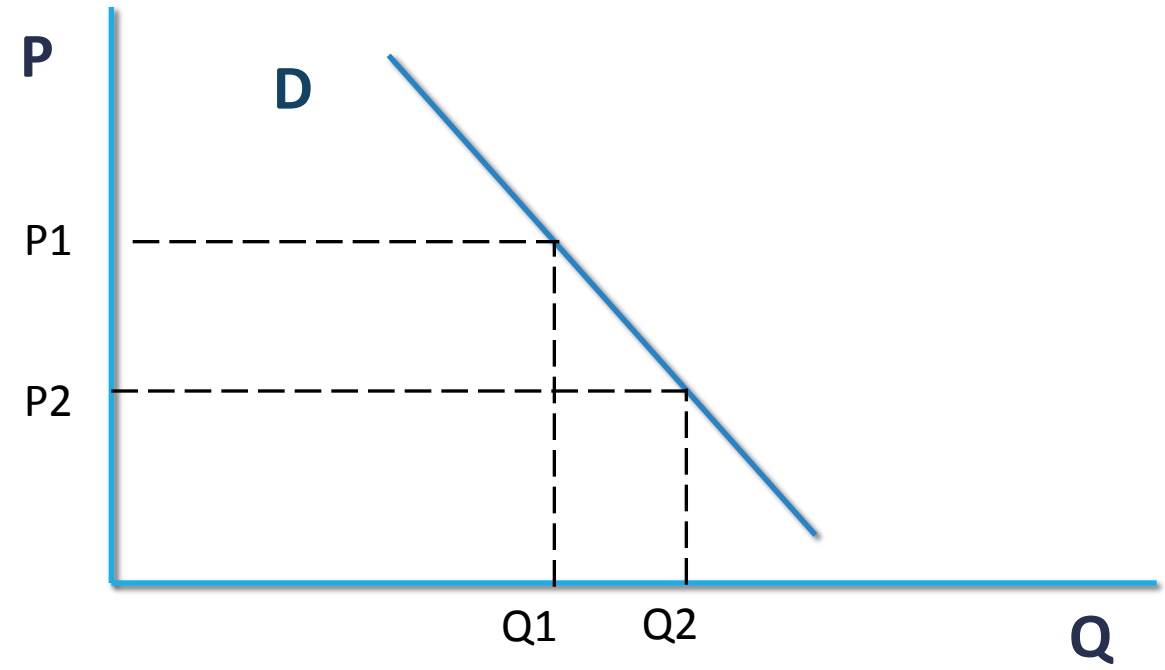


$$e_p = \frac{\Delta Q}{\Delta P}$$



Back to Basics

Focusing on **Demand**: “Relatively Inelastic”



$$e_p = \frac{\Delta Q}{\Delta P}$$



Back to Basics

Total Revenue = (Price/Unit) x (Quantity of Units)

From a total revenue standpoint, which type of demand elasticity incentivizes lowering the price?

From a total revenue standpoint, which type of demand elasticity incentivizes raising the price?



Applying Basic Microeconomics

When the price of a particular fast food chain cheeseburger increases by **200%**, what happens to the demand given competitor prices remain constant?

When the price of a routine cholesterol medication increases by **200%**, what happens to the demand given that other available generic prices remain constant?

When the price of a coronary procedure (post-MI) increases by **200%**, what happens to the demand for these procedures?



Applying Basic Microeconomics

RAND Health Insurance Study in 1988

Price impacts outpatient (less urgent) care at a greater rate than inpatient (urgent care)¹



Applying Basic Microeconomics

A Truly Competitive Market²

Large number of buyers and sellers

Buyers pay the full cost of the purchase

Buyers have perfect information about the market

No government intervention

No barriers to entry or exit



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