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Sen Kohl:Medicare To Reverse Reimbursement Decision On Avastin

By Jared A. Favole
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WASHINGTON (Dow Jones)--Medicare plans to reverse a decision that made it difficult for eye doctors to get reimbursed for using Genentech Inc.'s Avastin in patients, according to Sen. Herb Kohl (D., Wis.), chairman of the U.S. Senate Special Committee on Aging.

Genentech, a unit of Swiss-based Roche Holding AG (RHHBY), makes Avastin and Lucentis, two drugs that are used to treat patients with retinal diseases such as macular degeneration, a major cause of blindness. Avastin costs about \$50 when used for eye-disease injections, while Lucentis costs about \$2,000 per injection. A reversal by the Center for Medicare and Medicaid Services, or CMS, could cost Genentech money because it may encourage doctors to use the cheaper of the two medicines.

CMS in October introduced a special code for the smaller doses of Avastin that meant eye doctors who administered the drug would get only about \$7 per injection, not enough to cover costs. Kohl and many ophthalmologists said the move encouraged doctors to use the more expensive Lucentis and would end up costing the federal government millions of dollars annually.

The reversed decision is expected to be made at the latest by Jan. 1, 2010, though Kohl and doctors have asked CMS to make the reversal immediate. Kohl's staff is awaiting a response from CMS on the timing of the decision.

Genentech faced criticism when it said in 2007 it would restrict the availability of Avastin to help limit its use in eye diseases because the drug was cutting into sales of Lucentis. Spokesmen for Genentech or Roche weren't immediately available to comment.

"I'm pleased that CMS heeded the concerns of the medical eye care community and the Aging Committee," Kohl said in a statement. "Even seniors who have insurance often cannot afford the high co-payments associated with Lucentis."

About half of all doctors use Avastin to treat eye disease. Avastin is approved to treat various types of cancer but isn't approved for use in patients with eye disease. Doctors often prescribe the drug off-label. Lucentis is approved to treat patients with macular degeneration.

-By Jared A. Favole, Dow Jones Newswires; 202.862.9207; jared.favole@dowjones.com