

# Biotechnology

Proposed Coverage of Screening by CMS Another Positive for HCV

CMS recommends funding  
screening of at-risk populations

## INDUSTRY OVERVIEW

**Proposed coverage of screening by CMS another positive for HCV.** The Centers for Medicare & Medicaid Services (CMS) has proposed covering HCV screening for high risk individuals including IV illicit drug users and persons who received a blood transfusion before 1992, as well as "baby boomers" born between 1945-1965, a group that comprises almost a quarter of the U.S. population. The proposal recommends coverage with Medicare Part A and B, relevant for the aging baby boomer population and we believe it will likely be enacted. Overall, we see this as a potential boon for AbbVie/Enanta, Gilead and others in the HCV space, as most of the patients with HCV in the U.S. are asymptomatic and undiagnosed. We have not adjusted our model at this time; we have already built in a slow ramp in diagnosis from 2% today to 4% in 2021.

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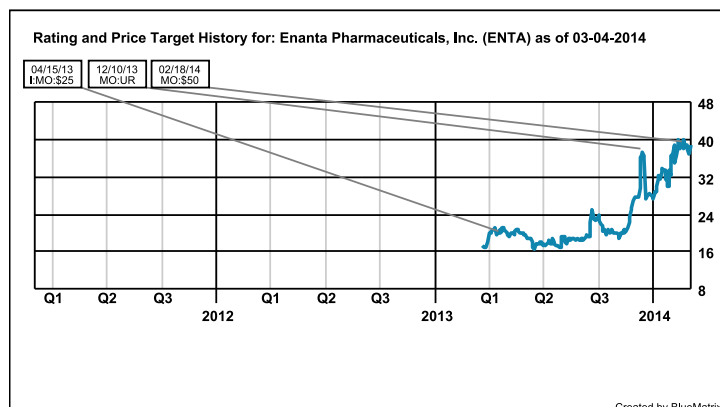
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JMP Rating	Regulatory Equivalent	# Co's Under Coverage	% of Total	Regulatory Equivalent	# Co's Under Coverage	% of Total	# Co's Receiving IB Services in Past 12 Months	% of Co's With This Rating
MARKET OUTPERFORM	Buy	245	56.32%	Buy	245	56.32%	95	38.78%
MARKET PERFORM	Hold	139	31.95%	Hold	139	31.95%	18	12.95%
MARKET UNDERPERFORM	Sell	8	1.84%	Sell	8	1.84%	0	0%
COVERAGE IN TRANSITION		43	9.89%		43	9.89%	0	0%
TOTAL:		435	100%		435	100%	113	25.98%

### Stock Price Chart of Rating and Target Price Changes:

Note: First annotation denotes initiation of coverage or 3 years, whichever is shorter. If no target price is listed, then the target price is N/A. In accordance with NASD Rule 2711, the chart(s) below reflect(s) price range and any changes to the rating or price target as of the end of the most recent calendar quarter. The action reflected in this note is not annotated in the stock price chart. Source: JMP Securities.



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