

Are We Getting the Most Value from Medications?

By David L. Clark, RPh, MBA

Total expenditures for prescription medications have increased dramatically over the past several years. Are these cost increases appropriate and necessary? Are consumers and our communities getting more value for these higher expenditures?

In April 2002, the National Institute for Health Care Management (NIHCM) reported, "Drug costs have in recent years contributed disproportionately to a sharp upturn in overall health costs. The 17.1% increase in 2001 marks the fourth year in a row that spending on outpatient prescription drugs rose more than 17%. Twenty-nine drugs had retail sales over \$1 billion in 2001, up from 19 in 2000, and 15 in 1999." The total amount spent on medications has increased. Most of the increase has come from higher levels of utilization. For patients with chronic medical conditions, this can be good news. But are they taking the medications that can give them the most value for their money?

Most prescription medications provide value to patients and to our communities when prescribed appropriately and taken correctly by patients. The value of a medication can be determined by dividing its overall benefit (that is, its effectiveness and its safety) by its cost. Today we have medications that can help control symptoms and even prevent and cure disease. Many of the newer prescription medications provide less value than medications that are already available, however. Many older medications have been demonstrated to be very safe and may cost a lot less. These less expensive medications, including generics, may not be advertised or actively marketed.

Consumers and healthcare providers may not always understand that new medications don't have to be more effective than other medications to be approved. For new medications to be approved by the Food and Drug Administration, the drug "sponsor" only needs to demonstrate that the drug is more effective than placebo. This means that they are compared to "sugar pills." The FDA does not require manufacturers to show improvement in effectiveness or safety over currently available medications.

NIHCM released another report in May 2002, which provided an overview of newer medications that have been released. Important findings from the report include the following: from 1989 through 2000 the FDA approved 1035 new drug applications, but only 35% were for new active ingredient; of the 1035 new drugs, only 15% provided significant improvement over existing drugs; and most of the growth in new drugs during the 90s came from less innovative products.

Several new medications have provided advances or improvements over previously available therapies. These include protease inhibitors to treat AIDS, medications such as Fosamax and Actonel to treat or prevent osteoporosis, proton pump inhibitors such as Prevacid when used to treat esophageal reflux disease, and statins, such as Lipitor, to lower cholesterol in patients with a high risk of having a heart attack. However, consumers should still understand that a new or highly advertised medication is not necessarily better or safer than older medications that may cost a lot less. "Based on the available scientific evidence and utilization

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studies, clinical review teams at The Regence Group, the Oregon Health Resources Commission, and others, have been unable to find evidence that many new medications provide more value than medications already available.”

Medications that may not provide more value or better effectiveness and safety for most patients than previously available medications include:

Cox II Inhibitors—

Celebrex, Vioxx, and Bextra

These medications are used to treat pain and reduce inflammation. Monthly costs for these can easily exceed \$80. Studies have shown that they are not more effective than medications that cost less than \$20 per month. For the vast majority of patients they are not safer.

Nexium and Clarinex

These medications are perceived by many to be “patent busters” released to replace older products, since Prilosec and Claritin patents were near expiration. Nexium does not offer benefits over other proton-pump inhibitors. Clarinex does not offer benefits over Claritin or other non-sedating antihistamines.

Glucovance, Glucophage XR, Prozac Weekly

These are also perceived as

“patent busters”, promoted in order to get patients to take more expensive medications instead of highly effective lower cost generic alternatives.

Advair

This is a combination of two different medications for treating asthma. It is not more effective than both medications used together, but is significantly more expensive than either single medication. Some patients may be treated with this combination instead of being stabilized or controlled on a less expensive single-ingredient product.

Generic medications provide safe and effective alternatives to many brand name medications. With over \$130 billion spent on prescription drugs in the U.S. in 2000 and generic prices costing up to 60% less than brand name alternatives, a five percent increase in generic prescribing would save over \$8 billion per year.

However, generic medication use is not growing as quickly as it could. The Generic Pharmaceutical Association has reported that 70% of all prescription drugs have a generic counterpart, but the use of generics is less than 50% of the total number of prescriptions filled in the U.S. This may be due to heavy advertising of brand name drugs. In

1999, the top 25 most advertised medications accounted for 40% of the increase in retail drug spending. Advertising includes direct-to-consumer advertising, sales calls to physicians, and samples of medications given to physicians.

Generic medications have the same active ingredients as equivalent brand name products, are of high quality, and are regulated and monitored by the FDA. Generic medications must meet the same stringent performance and bioequivalence standards set by the U.S. federal government as brand name drugs. Generic medications are not advertised, however. No professional athletes or movie stars are being paid to promote them.

Medications do provide significant value. Significant advances have been made in recent years. With appropriate medications, diseases can be treated, symptoms can be controlled, and other diseases can be prevented or cured. However, most new medications do not provide more value than other medications that are already available, including generics.

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His responsibilities include overseeing all pharmacy-related services including formulary activities, contracting, and benefit design. He also taught pharmacology for a local college of nursing for more than six years.

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