Class 10 – Lobbying, research, drugs

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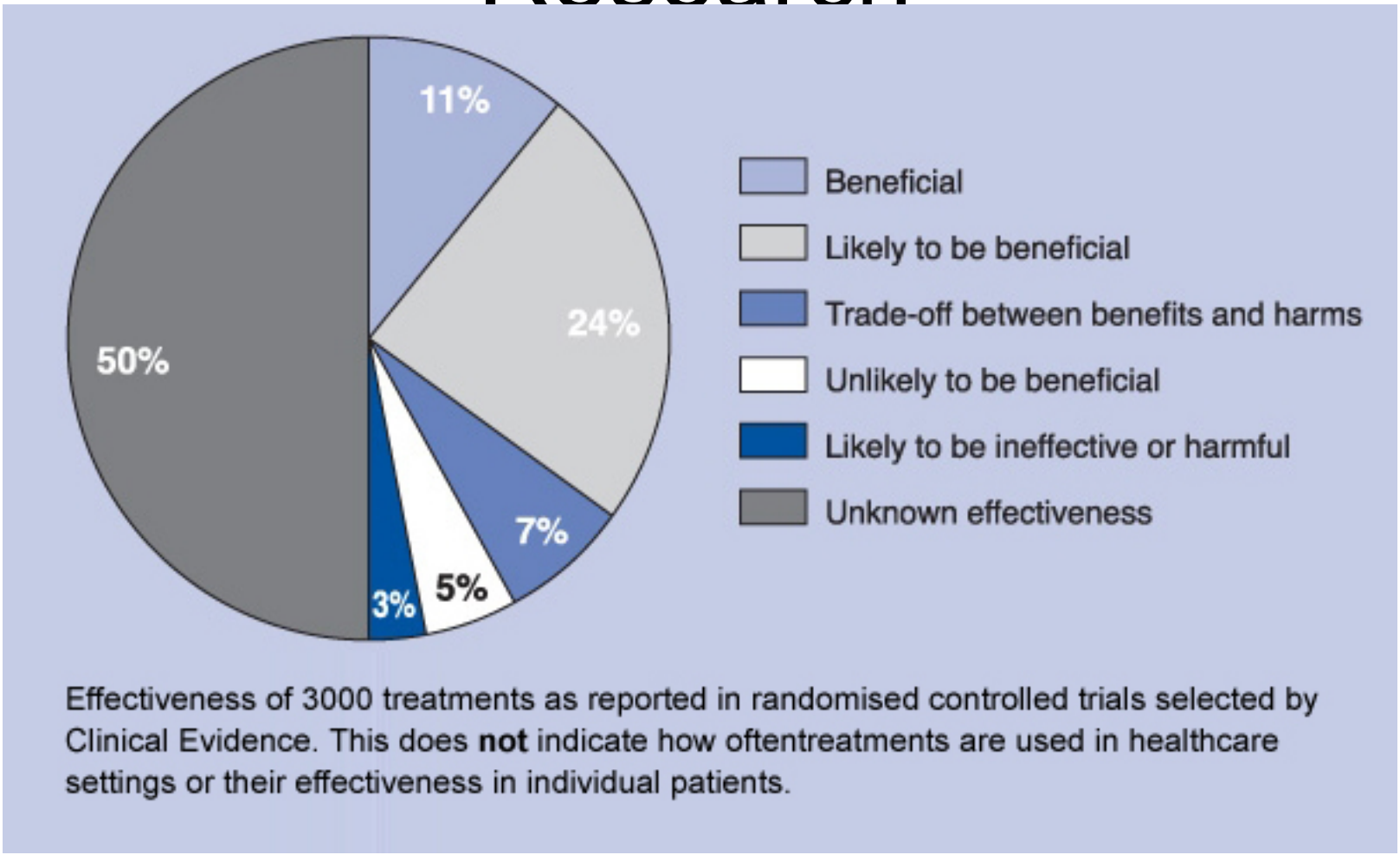
comparative effectiveness research

- New treatments, drugs, devices, procedures largest driver of rising health costs
- Little information on which are worth the expense over current care
  - Half of current treatments unknown effectiveness
- Very little science backs up health care treatments
- Most Americans believe more is better and are suspicious of CER
- Not rationing, will improve health

overtreatment

- Study of 27,000 treatment recommendations by cardiologists found that only 11% were supported by good science
- Expert panel at Harvard reviewed angiograms for patients recommended for bypass surgery, found one in three didn't need it
- Only 20 to 30% of depressed patients are prescribed anti-depressants and one third of those are prescribed the wrong dose
- Spine surgery for low back pain performed twice as often in US, six-fold variation across US, often no better or worse outcomes than physical therapy and medications
  - Among 1500 workers comp back pain cases, those with surgery were out of work 824 more days than those who got therapy and medication, were only 1/3rd as likely to be back at work after two years
- Patients with metastatic lung cancer who received early palliative care and less aggressive treatment lived 2.7 months longer than those who received usual oncology care

Comparative Effectiveness Research



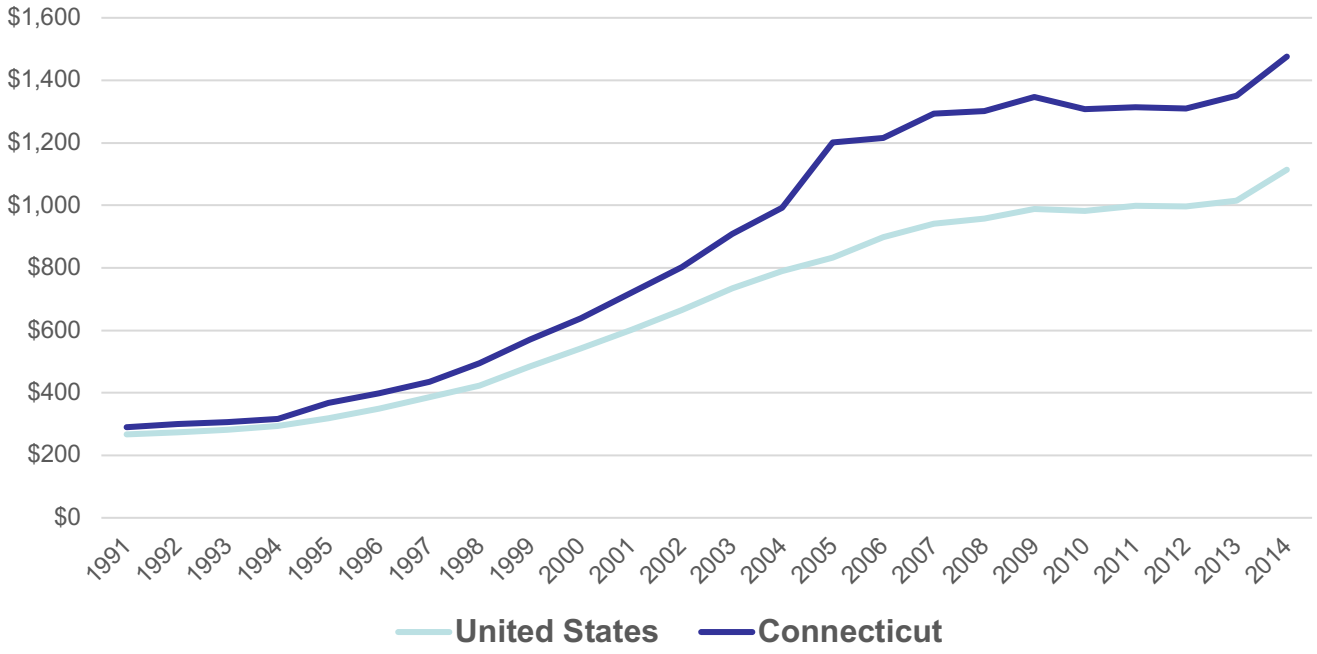
Source: Clinical Evidence, BMJ, January 2013

Drug costs are a priority

March Kaiser Foundation 2018 poll of Americans finds:

- 52% say bringing down prescription drug prices should be a ”top priority” for Congress and the Trump administration
- More than:
  - Infrastructure 45%
  - Addressing the opioid epidemic 42%
  - Addressing DACA 38%
  - Repeal the ACA 28%
  - Building a border wall 20%
- But only 39% believe they will
- 72% believe that drug companies have “too much influence in Washington”, more than the NRA

Drug, nondurable product spending per capita



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Key Findings

Drug and other nondurable product spending is higher for CT residents than most Americans

And the gap is growing

State rank

per capita drugs, nondurable product spending

Total per capita drugs, nondurable products cost, 2014	per capita, avg annual percent growth, 1991 to 2014
Delaware	New York
Connecticut	Delaware
New York	Connecticut
Rhode Island	Maine
Alabama	Rhode Island
West Virginia	Missouri
New Jersey	North Dakota
Pennsylvania	Alabama
Missouri	Nebraska
Louisiana	South Carolina
Massachusetts	Vermont
Nebraska	Pennsylvania
North Carolina	Massachusetts
Florida	North Carolina
New Hampshire	West Virginia
Tennessee	Louisiana
Kentucky	Arkansas
South Carolina	Wisconsin
Hawaii	New Jersey
Oklahoma	New Hampshire
North Dakota	Oklahoma
District of Columbia	District of Columbia
Arkansas	Iowa
Maine	Florida
Vermont	Mississippi
Iowa	South Dakota
Maryland	Kentucky
Mississippi	Kansas
Indiana	Tennessee
Kansas	Indiana
Michigan	Texas
Wisconsin	Minnesota
Texas	Maryland
Ohio	Illinois
Virginia	Ohio
Illinois	Michigan
Nevada	Virginia
California	Hawaii

highest

Per capita – 2014

Average annual growth – 1991 to 2014

Key Findings

CT residents spend more per person than all but one other state's residents on prescriptions and nondurable healthcare products and that rate is growing much faster than other states.

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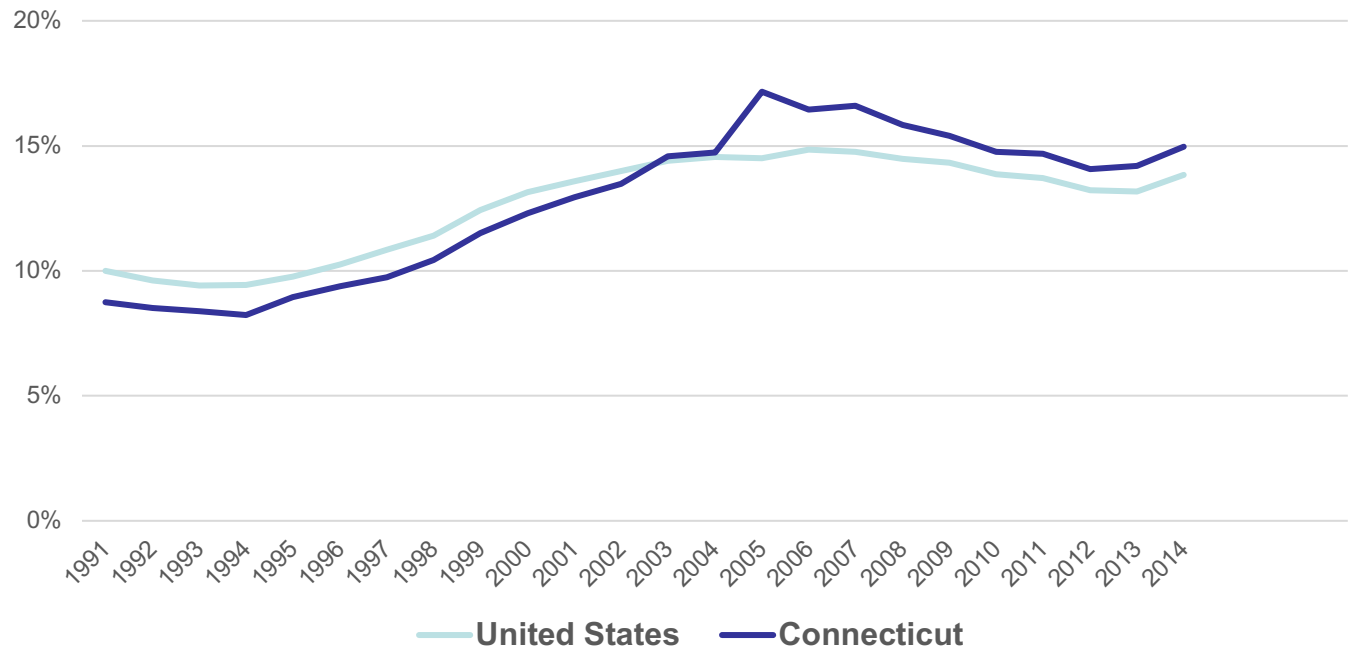
Drugs, nondurable products share of total per capita spending



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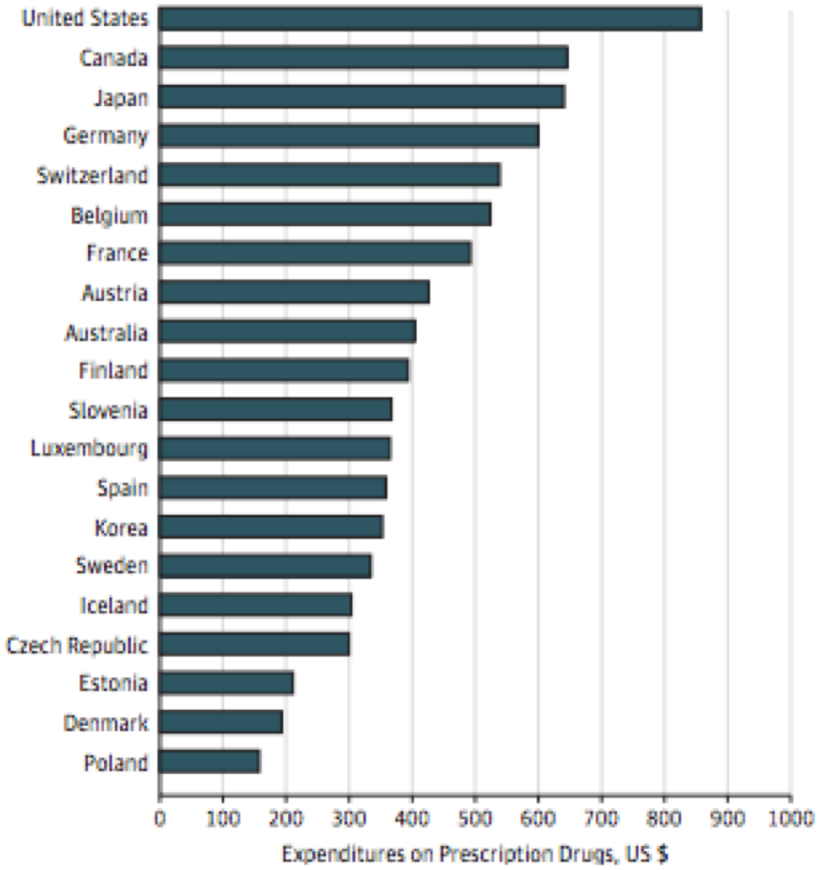
Key Findings

Since 2003 spending on drugs and other nondurable products have grown faster in CT than nationally

Global comparison

Figure 1. Per Capita Spending on Prescription Pharmaceuticals



Data are derived from the Organisation for Economic Cooperation and Development (OECD), reflect expenditures in 2013 (or the nearest year), and include all countries for which values were reported. Data used with permission from OECD, *Health at a Glance 2015: OECD Indicators, 2015*.[8]

Global comparison

Table 1. Examples of Country-Specific Average Drug Prices for Top-Selling Drugs in 2015

Drug	Monthly Price, US $				
	United States				
	Nondis-counted Price	Estimated Discounted Price	Canada	France	Germany
Adalimumab (Humira), 40 mg biweekly	3430.82	2504.50	1164.32	981.79	1749.26
Fluticasone/salmeterol (Advair), 250 µg, 50 µg daily	309.60	154.80	74.12	34.52	37.71
Insulin glargine (Lantus), 50 insulin units daily	372.75	186.38	67.00	46.60	60.90
Rosuvastatin (Crestor), 10 mg daily	216.00	86.40	32.10	19.80	40.50
Sitagliptin (Januvia), 100 mg daily	330.60	168.61	68.10	35.40	39.00
Sofosbuvir (Sovaldi), 400 mg daily	30 000.00	17 700.00	14 943.30	16 088.40	17 093.70
Trastuzumab (Herceptin), 450 mg every 3 wk	5593.47	4754.45		2527.97	3185.87

Policies that keep drug prices high

- Government grants monopolies for new drugs, for 20 years or more
- No cost controls, companies set their own prices, unlike other countries
- Mergers reduce competition, large increase in prices, including generics
- Medicare does not negotiate drug prices – unlike other countries
  - Medicare account for 29% of all US prescription spending
  - Growing quickly
- Barriers to generic development – FDA, access
- NIH funding -- Among 21 most important pharmaceutical innovations (had largest impact on therapeutic interventions) 1965 to 1992, only 5 were developed with no public sector research

Reasons to regulate

- Price isn't working to regulate supply and demand
- Other countries regulate prices and get better deals
- Both Medicaid and the VA regulate prices and they get better deals
- Pharma profits are very high
- Pharma spends too much on duplicative, me-too products
- Pharma spends more on promotion/marketing than R&D
- NIH funds the basic research that leads to new drug development

Reasons not to regulate

- Markets are competitive, outside of patents
- 80% of drugs used are already generics
- Only a few outliers are driving the high costs, many drug prices remain reasonable
- R&D is expensive and risky
- Government regulation of hospital and physicians prices isn't very effective
- Could politicize drug development spending and priorities

Federal proposals

- Transparency on pricing
- CREATES Act lowers barriers to generic development
- Limits on consumer out-of-pocket costs
  - Do nothing to reduce overall costs, and could increase them
  - We all pay higher premiums, taxes
- Have Medicare negotiate prices
- Allow importation from Canada
- Little indication that any of these will pass

CT proposals

- CT Healthcare Cabinet proposals February
- Create a Drug Review Board to review large price increases, refer to AG for action
- Post drug company payments to advocacy groups
- Transparency
- Quality measures to promote discussions of doctors and patients about affordability, side effects, priority setting
- Other states doing more

The Price of Life

- Documentary on drug pricing in UK
- https://vimeo.com/4796083