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Specialty Spotlight

It's All about Perspective

There is a growing pandemic in the world today. Hint: it doesn't involve the bubonic plague. The issue at hand is the sky-rocketing cost of new therapies pertaining to Hepatitis C, Type 2 Diabetes, and Cancer – to name a few. The general lack of transparency on the part of drug companies is central to this phenomenon, as is the general lack of cooperation to fill the gaps in medicine pricing policy. The World Health Organization (WHO) recommends that greater regulation and oversight in the form of a cost-effectiveness "gatekeeper" will help drive down prices and alleviate the burden upon low- and middle-income families.

Commentary:

The public has recently been made aware of the high cost of novel drug therapies to treat such diseases as hepatitis C. For instance, Gilead introduced Sovaldi in 2013 to treat Hepatitis C; this medication would cost the consumer a total of $84,000 for a 12-week course of treatment. But this price may be trumped in comparison to the total treatment costs associated with a liver transplant ($577,100 in 2011 per THE United Network for Organ Sharing). When compared to this latter option, the idea of paying less than a tenth of a million dollars for a drug doesn't seem as bad, especially if it means a cure. However, it is important to note that not all patients with Hepatitis C will qualify for a liver transplant; nor will all patients require the full 12-week course of therapy. Furthermore, according to this article, not all patients will be eligible to receive Sovaldi if there is a cost-effectiveness "gatekeeper" established to regulate the administration of such newer agents? So how will the decision be made in regards to the eligibility of receiving one of these newer agents? What will the process of "gatekeeping" look like? And will this model of allocation and administration be one of ethical soundness? Only time will tell…

Sources: "Transplant Living | Financing A Transplant | Costs." Transplant Living | Financing A Transplant | Costs. UNOS, n.d. Web.

Pollack, Andrew. "Harvoni, a Hepatitis C Drug From Gilead, Wins F.D.A. Approval." The New York Times. N.p., 10 Oct. 2014. Web.

Helfand, Carly. "Hey, European Countries--join Forces to Bring down Drug Prices, WHO Suggests." FiercePharma. N.p., 26 Mar. 2015.

Find out more

Providers Cannot Sue States Over Medicaid Reimbursement

Providers in Idaho sued the state in order to raise Medicaid payments due to increase in medical costs. The plaintiffs argued that the state set very low Medicaid reimbursements for providers. In addition, it was agreedIdaho had violated the Medicaid statute, which expresses that states must set reimbursements at rates that are adequate to encourage health care providers to offer their services. The providers ended up using this statue as their defense. Thus, the Supreme Court ruled against the providers under the Constitution's Supremacy Clause, which states that federal law takes precedence over state laws in all legitimate conflicts. Therefore, the constitution does not give individuals the right to force states to raise Medicaid reimbursement rates and it is up to the federal agencies that oversee Medicaid to decide whether a state is in compliance with reimbursement rules.

Commentary:

States establish their own Medicaid provider payment rates within federal requirements. States generally pay providers for services through managed care or fee-for-service programs. Under the managed care programs, lower care states contract with organizations to deliver care through networks and pay providers via monthly capitation payment rates. The payment rate is specific to the economy of that state. Therefore, providers arguing that they are paid under the cost of care from Medicaid will cause fewer providers to agree to participate in Medicaid programs. This will limit access to care for Medicaid patients. Some providers may continue to sue state Medicaid agencies to raise reimbursements. It can go either direction depending on how determined providers are in order to fight for what they consider is lawfully theirs.

Sources: 1. Reed, Eric. "Supreme Court Rules That Doctors Can't Sue States Over Medicaid Reimbursement." Main street News, April 1, 2015. https://www.mainstreet.com/article/supreme-court-rules-that-doctors-cant-sue-states-over-medicaid-reimbursement

A Follow Up – To Give or Not to Give: Bisphosphonates

In Pharmacy Benefit News #246 from January 8th, 2015, we discussed the use of bisphosphonate therapy. For the benefit of everyone, we are adding this information pertaining to their use in a specific subset of patients – those above the age of 80 years. Some studies have indicated that this group of patients requires a formal diagnosis of osteoporosis with a T-score greater than 2 and a life expectancy of at least 4-5 years after initiation of therapy to experience any benefit from bisphosphonates.

Commentary:

Bisphosphonates, e.g. Fosamax or Zometa, have been known to cause such adverse effects as hypophosphatemia, abdominal pain, musculoskeletal pain, and dyspepsia. With that being said, are there other alternatives to bisphosphonate therapy in elderly patients that would spare them the adverse reactions of the drug? Studies have shown that an adequate intake of Calcium and Vitamin D can result in a reduction in the rate of bone resorption, and may reduce the fracture risk in older adults. Elderly women with osteoporosis are advised to take 1,200 mg of Calcium and 800 units of Vitamin D, while elderly men diagnosed with osteoporosis are suggested to receive 1,000 mg of Calcium and 600 units of Vitamin D. In addition, low weight-bearing, physical exercise has also shown to improve bone health. These are some of the other options, in place of bisphosphonate therapy, that hold promise in older patients for whom the latter form of therapy may be of debatable efficacy and safety.

Source: Boonen, Steven, et al. "Safety and Efficacy of Risedronate in Reducing Fracture Risk in Osteoporotic Women Aged 80 and Older: Implications for the Use of Antiresorptive Agents in the Old and Oldest Old." Journal of the American Geriatrics Society 52.11 (2004): 1832-839.

Mcclung, Michael R., et al. "Effect of Risedronate on the Risk of Hip Fracture in Elderly Women." New England Journal of Medicine 344.5 (2001): 333-40.

Frost & Sullivan's Report: Smart Prevention. 77 Health Care Cost Savings Resulting

from the Targeted Use of Dietary Supplements. Osteoporosis and the Benefits of Using Calcium, Vitamin D, and Magnesium. (2013): 77-94.

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