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COMMENTARY: TECHNOLOGY

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Better Info, Cheaper Drugs?

Big Pharma doesn't like the idea of comparative cost-benefit analyses -- with results available to all. The economics, however, are compelling

For many Americans, the most advanced prescription drugs approved for human use are available for the popping. But which ones are most effective? Do generics work just as well as brand names? And is a newer drug worth an often higher price tag?

Such comparative information remains hard to come by. Now some in Congress want to change that. A bipartisan group including Senator Hillary Rodham Clinton (D-N.Y.) and Representative Doug Bereuter (R-Neb.) is pushing for an additional \$75 million in funding for federal health agencies to study the relative effectiveness of major drugs. They hope to tack the measure onto the \$400 billion Medicare drug-prescription bill being drafted on Capitol Hill. The proposal would authorize an additional \$50 million in funding in 2004 for the National Institutes of Health and \$25 million for the Agency for Healthcare Research & Quality (AHRQ).

The plan's details are still being hammered out, but the amendment may call for closer reviews of existing studies, new clinical trials, or both. Making more information publicly available is a no-brainer, say many health-policy experts. A central information clearinghouse of which drugs work best, along with price comparisons, could help rein in the nation's surging health-care costs.

BOTTOM-LINE BENEFITS. Another benefit would be better standardization of treatments and therapies. Some states, such as Oregon, have compiled comparative analyses to determine which drugs to put on its preferred drug list, or formulary, for Medicaid. Why couldn't Uncle Sam do the same thing? wonders Representative Tom Allen (D-Me.), a co-sponsor of the Clinton-Bereuter amendment. "If the federal government took this issue on, if done right, there would be great credibility for the results," he argues.

While the development worries Big Pharma, the field of cost-benefit analysis of drugs -- known as pharmacoeconomics -- is on the rise. From cholesterol-cutting agents to antidepressants to hormone treatments, medical schools, researchers, and some private companies have issued reports that measure the benefit of drugs clinically and in dollars and cents, says Albert Wertheimer, director of the Temple School of Pharmacy's Center for Pharmaceutical Health Services Research. "In the early days, only a small number of organizations were using pharmacoeconomic studies."

Among the leaders: Health ministries in Europe like Britain's National Institute for Clinical Excellence (NICE, for short), the U.S. Defense Dept.'s Pharmacoeconomic Center and Oregon State's Office of Health Policy.

INFO BANK. Also churning out data on widely used medicines are for-profit pharmacy benefit

managers like Express Scripts ([ESRX](#)) and institutes such as Rx Intelligence. "The methods and level of integrity continue to increase," Wertheimer says.

Still, the research coming out of these organizations seems to have muted impact. The reason: Physicians and patients don't have easy access to the studies. "It's hard to find information," says Dr. Carolyn Clancy, director of AHRQ. "If you have arthritis, do you need a prescription medicine or an over-the-counter drug?" With additional funding, backers hope answers to such questions might be found on a comprehensive Web site that doctors, consumers, and buyers of health care could easily access.

"The challenge is creating info that's useful. Otherwise it's just like having a bigger phone book," Clancy says. AHRQ, she envisions, would have the role of "reviewing drugs and making that info available." AHRQ, along with the American Medical Assn. and the American Association of Health Plans, has put together an [online database of treatment guidelines](#). The site, which includes 1,100 practice guidelines that are updated frequently, gets about 70,000 visits weekly -- a number that's on the rise.

SURVIVAL OF THE FITTEST. While the need for more information and side-by-side comparisons may not seem like a big deal, it has raised the hackles of the drugmakers lobby. Trade group Pharmaceutical Research & Manufacturers of America (PhRMA) argues that patients would get the shaft with "one-size-fits-all" decisions about who gets what kind of drug. Besides that, comparisons might stymie innovation, PhRMA contends.

Perhaps. But over the long run, real innovation will more likely result from a dynamic cost-benefit system that values drugs based on results. By the same token, a newly approved anti-ulcer drug would be priced at only a slight premium to older counterparts since most of these drugs would have been shown to have very similar safety and efficacy profiles.

"Ideally, what would happen is innovation that leads to breakthrough drugs would be rewarded in the marketplace. Why would we want to reward copycat drugs?" asks Gail Shearer, a health policy expert at Consumers Union. Adds Allen: "For those who believe in free markets, it's hard to argue against better, more accurate, more reliable information."

Of course, reining in health-care costs will require more than just data. But better information for health-care providers and consumers certainly can't hurt. If additional funding for the project gets through Congress, this "antidote to the pharmaceutical industry's omnipresent marketing," as Allen calls it, will be a good first step toward a rational approach to valuing drugs.

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