PEW PRESCRIPTION PROJECT

April 2, 2009

Fact Sheet

Reducing the Impact of Pharmaceutical Marketing to Physicians and Promoting Appropriate Prescribing and Drug Safety

The pharmaceutical industry spends nearly $30 billion annually on marketing. The majority (including samples) is spent on direct marketing to physicians (Donohue, NEJM, 2007).

Nationwide, prescription drug spending rose 500% (from $40.3 billion to 200.7 billion) between 2000 and 2005 (Kaiser Family Foundation, 2007).

This fact sheet was created in collaboration with

COMMUNITY CATALYST

The Independent Drug Education and Outreach Act

The Independent Drug Education and Outreach Act (IDEA Outreach Act) of 2009 (S.767 and H.R.1859) would establish federal funding for programs to send trained pharmacists, nurses, and other health care professionals into doctors' offices with independent data about the benefits, hazards, costs, and comparative effectiveness of the full array of pharmaceutical options for patient treatment, including low cost generic alternatives.

Sponsors: Mr. Kohl (D-WI); Mr. Durbin (D-IL); Mr. Kennedy (D-MA) and Mr. Casey (D-PA) in the Senate, and Mr. Waxman (D-CA), Mr. Pallone (D-NJ), Mr. Rangel (D-NY) and Mr. Stark (D-CA) in the House.

Introduced: April 1, 2009 (both chambers)

Why is this legislation needed?

Practicing physicians currently get much of their information about drugs from pharmaceutical sales representatives, who have a vested interest in selling new, high-cost products. To ensure quality of care and to control soaring drug costs, it is essential that prescribing decisions be based on balanced, unbiased scientific information.

How will this legislation work?

S.767 and H.R.1859 establish two types of grants that would be administered by the Department of Health and Human Services Agency for Health Care Research and Quality (AHRQ). The first type of grants supports the development of evidence-based educational materials. These materials will be publicly available. The second type of grant funds a workforce of trained medical professionals to disseminate this information to prescribers.

Who is eligible to apply for the grants?

Entities that can demonstrate clinical expertise in pharmaceutical research, such as medical and pharmacy schools and academic medical centers, or entities that can demonstrate the capacity to train and deploy medical professionals to disseminate the materials would be eligible to apply for the respective grants. Both nonprofit and governmental entities are eligible for the grants, provided they do not receive

financial support from any manufacturer of the drugs being reviewed or discussed.

Will the prohibition on industry support prevent academic institutions from receiving grants?

The legislation will prevent third party companies who are paid by industry, such as medical education and communications companies (MECCs), from receiving the grants. As written, it would also eliminate most academic institutions.

The Prescription Project believes that strong conflict-of-interest standards are essential to ensuring the integrity of the program. However, the legislation should be modified so as not to preclude legitimate financial relationships, such as funding of bona fide clinical and basic research.

What will this program cost?

The Prescription Project has reviewed the available cost-effectiveness data on academic detailing elsewhere.[1] By one estimate, such programs could save $2 in drug costs for every dollar invested in the program.[2] Preliminary evidence from a large program in Pennsylvania also suggests the potential for savings.[3] It will be important to carefully evaluate savings from the federal program when it is implemented. However, it must also be noted that the primary goal of such programs is improved care, with savings a secondary benefit.

How will this program be monitored and evaluated?

DHS will review and approve the accuracy and effectiveness of the educational materials and evaluate the effectiveness of the materials and the prescriber education programs. Entities that receive grants for dissemination will also evaluate the effectiveness of the program on both cost and quality of medication use.

How will this program be funded?

As noted above, the expectation is that the programs will provide net public savings. However, the legislation does not specify an appropriation mechanism to establish the programs.

How will this legislation affect existing state-based academic detailing programs?

Creation of a federal program will not affect existing or new state-based programs. However, public programs may apply for the grants established by this legislation.

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[1] The Prescription Project. Cost-Effectiveness of Prescriber Education ("Academic Detailing") Programs. March 2008. http://www.prescriptionproject.org/tools/solutions_reports/files/0010.pdf
[2] Soumerai, S. B., & Avorn, J. (1986). Economic and policy analysis of university-based drug "detailing". Medical Care, 24(4), 313-331
[3] Independent Drug Information Service & Pennsylvania Department of Aging. Evaluation of the Independent Drug Information Service, the Pennsylvania Academic Detailing Program: acid suppressing therapy module. July 2007 (Draft report)