



Priorities for Federal Health Reform Related to Prescription Drugs

Prescription drug reform is an essential component in building a quality, cost-effective and sustainable health care system. Community Catalyst has addressed this issue in both the private and public sectors. Since 2001, the Prescription Access Litigation project (PAL) has built a coalition of consumer advocates, health care activists, non-profit health plans, labor unions and union benefits funds to advance class action lawsuits - 32 to date - to challenge illegal drug industry pricing and marketing practices. In 2006 we collaborated with the Pew Charitable Trusts to create the Prescription Project, which has spearheaded new policies to expand transparency, reduce conflicts of interest and promote evidence-based prescribing at academic medical centers, professional medical associations and through state legislation. We support action at the federal level through health reform as described below. We have also worked with advocates in numerous states to ensure that prescription drug benefits are included in state health programs and that these programs incorporate systems to ensure that the safest, most effective drugs are recommended for beneficiaries, with appropriate consumer protections.

Physician Payments Sunshine Act

The Physician Payments Sunshine Act (S.301), included in the Senate Finance Committee's options memo on delivery system reform, requires drug, biologic and medical device manufacturers to report certain gifts and payments ("transfers of value") made to physicians. The information will be registered in a national and publicly accessible online database. Companies failing to report incur financial penalties. Disclosure of pharmaceutical and device company payments is an important piece of a national health care agenda to promote quality and reduce costs.

MedPAC and the Institute of Medicine have been joined by numerous consumer, industry and medical groups in calling for federal transparency legislation. In recent years six states have taken steps to require transparency of pharmaceutical industry payments to practitioners by passing payments reporting laws. These important steps have helped to build the case for transparency on the national level.

Federal legislation requiring reporting by industry of payments to prescribers is crucial, because conflicts of interest can influence prescribing, increase costs and are detrimental to trust in the medical profession and pharmaceutical and device industries. Transparency of such payments to prescribers will increase the quality and safety of prescribing, lower prescription drug costs and restore patient confidence.

We believe that S.301 should also require reporting of payments to non-physician prescribers, as well as hospitals, professional organizations and patient groups, as payments to all of these groups represents potential conflicts of interest. In addition, payment transparency legislation should include all pharmaceutical and device companies, as patients use products produced by all companies, and not only by large manufacturers. A federal law should only narrowly pre-empt state laws, and only prevent states from collecting the same information for the same purpose as is required federally.

Comparative Effectiveness Research

Comparative Effectiveness Research (CER) is an opportunity to help ensure health care providers and patients have the tools to choose the most clinically effective, culturally appropriate and safest health care treatments and strategies. There are serious gaps in evidence on what works best in health care, including the effectiveness of treatments for many groups—such as women, children, minorities, older adults and people with special health care needs—who are not included in sufficient numbers in many studies today.

We support the recommendations in the Senate Finance Committee options memo on delivery system reform for an institutionalized, independent entity to oversee comparative effectiveness research that will not be unduly influenced by the political process. We also recommend that diverse stakeholders, including consumers, be involved in setting the research agenda.

Unbiased Prescriber Outreach and Education

The creation and support of programs to provide clinicians with the best information on the comparative effectiveness of treatments is an important part of translating research to use in practice. Prescriber education programs such as those outlined in the Independent Drug Education and Outreach Act of 2009 (S. 767 & H.R. 1959) would provide non-coercive means to disseminate comparative effectiveness research and provide the information necessary for prescribers to utilize all the available evidence in their treatment decisions.

Prescriber education is a positive way to deliver relevant, unbiased information about the best drug treatments gleaned from federal comparative effectiveness research without linking it to proscribed reimbursement or coverage decisions. The IDEA Outreach Act will provide prescribers with face-to-face clinical consults by specially trained pharmacists, nurse practitioners or physicians. Individual educational outreach is demonstrably more effective than static practice guidelines, didactic presentations or group educational visits. Evidence from an established program in Pennsylvania shows physicians embrace and welcome this approach to translation of medical evidence.

Prescriber education has been demonstrated both in the United States and abroad to pay for itself in reduced drug costs, and estimates indicate that a nationwide expansion could yield more than \$400 million of savings in a single drug class alone. IDEA would spur adoption of academic detailing by providing grants to states, counties and other entities. This would overcome the barrier of start-up costs, allowing programs to become established and self-sustaining.

IDEA would leverage the success of existing state and regional programs which have established credibility in their medical communities and are already engaged in cross-program learning and collaboration. State programs are being run or implemented in six states and the District of Columbia, and have been received positively in their respective prescriber communities. By becoming a central resource to these programs and new ones, IDEA could utilize best practices to bring prescriber education to scale nationally in an efficient and cost-effective way.