

POLICY & PRACTICE

Arthritis Costs Rose 24% in 7 Years

The total price tag for arthritis and other rheumatic conditions in the United States was approximately \$128 billion in 2003, according to the Centers for Disease Control and Prevention. The figure includes \$80.8 billion in direct spending on medical treatments and other expenses and \$47 billion in indirect costs such as lost wages. The findings were published in the Jan. 12 issue of the Morbidity and Mortality Weekly Report. The researchers estimate that the average per-person direct costs among adults in 2003 were \$1,752 and that the average

per-person lost earnings totaled \$1,590 in 2003. Nursing home costs were excluded from the analysis. The estimates are based on data from the Medical Expenditure Panel Survey, an annual household interview survey. The national direct costs rose 24% between 1997 and 2003 and the researchers attributed the spending growth to the increase in the number of people with arthritis and other rheumatic diseases.

New Osteoporosis Health Claims

Officials at the Food and Drug Administration are proposing to allow a new health

claim stating that foods and dietary supplements containing both calcium and vitamin D have the potential to reduce the risk of osteoporosis. The FDA currently allows manufacturers to make only health claims linking calcium intake to a reduced risk of osteoporosis. The new proposal would also broaden the health claim that can be made for products containing calcium by dropping references to sex, race, and age.

ASP Decreases Volume for Some

The switch in 2005 to an average sales price-based payment method for drugs administered in physician offices under Medicare Part B resulted in substantial

price savings for the federal program, according to a report from the Medicare Payment Advisory Commission (MedPAC). The ASP-based system led to an increase in claims volume and total charges; even so, some specialists provided fewer drugs in their offices in 2005, according to MedPAC. Overall, Part B drug spending fell from \$10.9 billion in 2004 to \$10.1 billion in 2005. The commission scrutinized how the switch to ASP affected certain specialists. Urologists cut back the most, giving 16% fewer drugs, leading to a 52% decrease in Medicare spending, mostly for hormones prescribed for prostate cancer. Rheumatologists increased the drug volume—mostly for infliximab—by 9%; Medicare's spending on that drug was constant, however, according to the report. Infectious disease specialists gave 21% fewer drugs in 2005, possibly because physicians shifted their patients to hospital outpatient and postacute care settings, the report said. The change may present some patient access and safety issues, according to MedPAC. But there was no reduction in quality of care in other specialties as a result of the switch to ASP.

New RA Grant Program

The American College of Rheumatology has launched a series of new grants in the area of rheumatoid arthritis. The "Within Our Reach" grants, which are being offered for the first time in 2007, are aimed at funding rheumatologic research that might not be funded by the National Institutes of Health or other peer-review funding sources. Each of the grants is a 2-year award and will be funded at \$200,000 a year. The funding for the grants comes from donations to the ACR's Within Our Research: Finding a Cure for Arthritis campaign. The top donors to the campaign include the ACR, Abbott Laboratories, and Bristol-Myers Squibb. More information about the grants is available online at www.refawards.org/WithinOurReachgrants.asp.

Unique New Drugs on Decline

The FDA approved only 18 new molecular entities last year, on par with the previous year but close to a historic low. Throughout the 1980s and 1990s, the agency approved at least 20-30 NMEs annually. Among the 18 were 4 biologic therapies and 4 new vaccines. The paltry number of approvals and a Government Accountability Office report issued in December may point to a decline in new drug development, according to Rep. Henry Waxman (D-Calif.), Sen. Richard Durbin (D-Ill.), and Sen. Edward Kennedy (D-Mass.). The legislators requested the GAO report, which found that huge increases in drug industry research and development from 1993 to 2004 were not accompanied by a similar rise in new drug applications—especially for NMEs—to the FDA. From 1993 to 2004, R&D spending increased 147%; NME applications increased by only 7%. NME applications have declined especially since 1995. "These submission trends indicate that the productivity of research and development investments has declined," the GAO report said. Backing up that conclusion: Over the same period, the FDA has continued to approve most submissions, but the number approved overall has declined, the GAO said.

—Mary Ellen Schneider

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