

## POLICY &amp; PRACTICE

**Most Substance Abusers Work**

A new survey by the Substance Abuse and Mental Health Services Administration shows that most of the nation's 16.4 million illicit drug users and 15 million heavy alcohol users are employed full time. The report, available at SAMHSA's Web site, is compiled from the 2002, 2003, and 2004 National Surveys on Drug Use and Health. The data are somewhat misleading in that full-time workers account for two-thirds of the survey population, so most substance users will be employed, according to SAMHSA. Illicit drug use was highest among the cohort aged 18-25 years, at 19%, compared with 10% for those aged 26-34 years, 7% for those aged 35-49 years, and 3% for those aged 50-64 years. The highest rates of current use were among food service workers (17%) and construction workers (15%). Alcohol use was highest among construction, mining, excavation, and drilling workers (18%), and installation, maintenance, and repair workers (15%).

**Psychologist Prescribing Vetoed**

Hawaii Gov. Linda Lingle (R) has vetoed a bill that would have allowed psychologists to prescribe medications. SB 1004 was opposed by the American Medical Association, the American Psychiatric Association, the American Academy of Child and Adolescent Psychiatry, and five consumer mental health organizations, according to the AACAP. In an editorial about the legislation published in the Honolulu Advertiser in early July, AMA board member Dr. Jeremy Lazarus said, "This bill would allow health care professionals who have not undergone extensive and necessary education and training to prescribe powerful and potentially dangerous medications to patients."

**Army to Educate on Mental Health**

The U.S. Army is beginning a program aimed at having every soldier—and his or her family—learn the symptoms of mild traumatic brain injury and posttraumatic stress disorder and to help them seek treatment. The goal is for all active duty and reserve military personnel to receive training by mid-October. The Army will use what it calls a "chain-teaching" method, with education coming down the chain of command. Leaders can retrieve materials—consisting of a 35-page guide and video and slide shows—at [www.army.mil](http://www.army.mil). The aim is to remove the stigma of seeking help, according to the Army.

**Alzheimer's Programs Recognized**

The Alzheimer's Foundation of America recently awarded "Excellence in Care" status to two dementia care programs that met standards for high performance. The two programs, both based in New York City, are the first to receive this designation. The Alzheimer's Foundation of America began the program last November and to date has trained about 40 specialists

to conduct on-site evaluations and to work with facilities to improve performance and adopt best practices. The recognized facilities are the 80th Street Residence, which is an assisted living facility, and Ozanam Hall, which is a skilled geriatric and short-term rehabilitation facility. More information on the recognition program is available at [www.excellenceincare.org](http://www.excellenceincare.org).

**Overseas Drug Purchases Unabated**

Two new reports suggest that despite multiple warnings, Americans are continuing to buy pharmaceuticals from overseas, mostly through the Internet. A new survey by the Pharmaceutical Research and Manufacturers of America shows that more than 5 million adults—or more than 2% of the U.S. population—have recently purchased prescription drugs from another country, such as Canada or Mexico. The vast majority said they were looking for the best price, but about half decided to import because they didn't have a prescription. Overseas shoppers were more likely to be younger than age 35, to be Hispanic, to live in a southern border state, and to spend more out-of-pocket money on prescription drugs than did non-importers, PhRMA reported. Most of the products were for chronic ailments. Separately, the Food and Drug Administration said that consumers often can get the same products for less money in the United States. New data from examinations of foreign mail shipments show that 45% of the imports were available here as generics, many for \$4 each. Among the drugs being imported that were cheaper here, according to the FDA, were atenolol, hydrochlorothiazide, lisinopril, metformin, simvastatin, and warfarin.

**CMS Releases Medicaid Rule**

CMS has unveiled a new method of setting limits on what the federal government will reimburse state Medicaid agencies for prescription drug payments. As part of the new regulation, states will be required to collect information from physicians about prescription drugs administered in their offices so that the state can collect any rebates offered by drug manufacturers on those products. The final rule will take effect Oct. 1. The regulation is expected to save states and the federal government \$8.4 billion over the next 5 years, but even with the change, the Medicaid program still is expected to spend \$140 billion for drugs over the same time period. The change is in part a reaction to a series of reports showing that Medicaid payments made to pharmacies for generic drugs were much higher than the amount pharmacies actually were paying for the drugs. Pharmacies, the reports showed, made the most profit on those generic drugs with the highest markup, creating an incentive to disperse those drugs.

—Alicia Ault

# Incentives Yield Quality Gains in Medicare Demo

BY MARY ELLEN SCHNEIDER  
New York Bureau

Preliminary results of a demonstration project that allows physician groups to share in savings they earn for the Medicare program has also resulted in quality gains, according to the Centers for Medicare and Medicaid Services.

The Medicare Physician Group Practice Demonstration is a 3-year project that encourages group practices to improve coordination of care for patients with chronic diseases. The project offers the practices financial incentives that meet clinical targets and save the Medicare program money above a certain threshold. In the first year, 10 participating practices were assessed based on their performance on evidence-based diabetes measures.

In the first year (April 2005–March 2006), all participating practices improved their clinical management of diabetes and met targets on at least 7 of 10 measures; two practices improved on all 10 measures.

Measures for the first year included hemoglobin A<sub>1c</sub> management and control, blood pressure management, lipid measurement, LDL cholesterol level, urine protein testing, eye exam, foot exam, influenza vaccination, and pneumonia vaccination.

In addition to improving care, the demonstration saved the Medicare program about \$9.5 million, Herb Kuhn, CMS acting deputy administrator, said during a press conference to announce the first-year results.

"We are seeing substantial and verifiable improvements in the quality of care for patients and improved efficiency in the delivery of that care," Mr. Kuhn said.

The demonstration includes 10 large, multispecialty group practices with a total of about 224,000 Medicare beneficiaries. The 10 group practices are Dartmouth-Hitchcock Clinic, Bedford, N.H.; Deaconess Billings (Mont.) Clinic; the Everett (Wash.) Clinic; Geisinger Health System, Danville, Pa.; Middlesex Health

System, Middletown, Conn.; Marshfield (Wisc.) Clinic; Forsyth Medical Group, Winston-Salem, N.C.; Park Nicollet Health Services, St. Louis Park, Minn.; St. John's Health System, Springfield, Mo.; and University of Michigan Faculty Group Practice, Ann Arbor.

The demonstration encourages physicians to coordinate Part A and Part B Medicare services, invest in new care management programs, and redesign care processes. If these investments save money for Medicare, the physician groups are able to share in a portion of the savings. These performance payments are in addition to the regular fee-for-service Medicare payments received. Physician groups may share up to 80% of the savings, which are distributed based on financial performance and achievement of benchmarks in care quality measures, Mr. Kuhn said.

To receive a performance payment, the practices' total Medicare spending growth rate must be more than 2 percentage points lower than a comparison population of Medicare beneficiaries in their local market area.

While all the practices met clinical targets for at least seven diabetes measures, only two practices received performance payments.

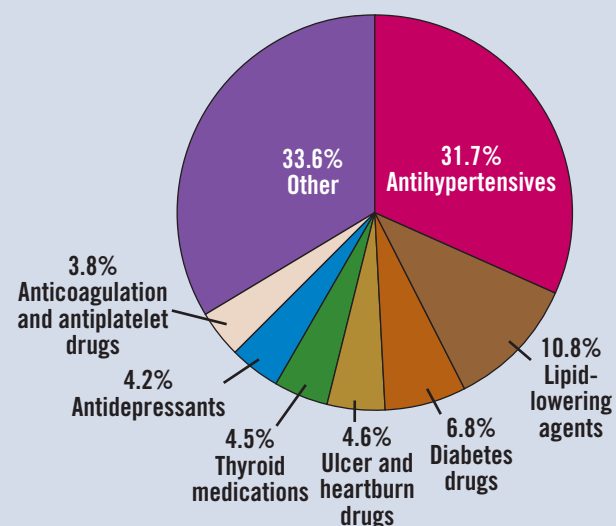
The Marshfield Clinic and the University of Michigan Faculty Group Practice earned performance payments for quality and efficiency improvements. In total, the two groups earned \$7.3 million in payments; however, the two practices that met benchmarks in every clinical area—St. John's Health System and the Forsyth Medical Group—did not receive payments.

While other participating practices did achieve lower Medicare spending growth rates than comparison populations in their local markets, their savings did not meet the 2% threshold to share in the Medicare savings, Mr. Kuhn said.

Part of the problem may be that not all practices were able to fully deploy their initiatives in the first year, Mr. Kuhn said. "I think, overall, it's trending in a very positive way."

## DATA WATCH

## Drug Use by Medicare Enrollees in 2006



Source: Medco