

Forum Session

NATIONAL
HEALTH
POLICY
FORUM

ASPE's Conference on Pharmaceutical Pricing Practices, Utilization, and Costs: A Recap and Some Further Thoughts

Friday, September 15, 2000

8:00 to 8:30 am - Continental Breakfast

8:30 to 10:30 am - Discussion

Rayburn House Office Building

Room B-369

A discussion featuring

Mark Merlis

Senior Fellow

Institute for Health Policy Solutions
Washington, D.C.

Joan Sokolovsky, Ph.D.

Program Analyst

Division of Health Financing Policy
Office of the Assistant Secretary
for Planning and Evaluation
Department of Health and Human
Services

Michael E. Gluck, Ph.D.

Scholar in Residence

National Academy of Social Insurance
and

Associate Research Professor

Institute for Health Care Research
and Policy
Georgetown University

Registration: Please call **Dagny Wolf** at 202/872-1392 as soon as possible.

The
George
Washington
University
WASHINGTON DC

Pharmaceutical Pricing Practices, Utilization, and Costs

While congressional debate over Medicare's coverage

of outpatient prescription drugs has been put on hold over the August recess, policymakers have continued to discuss several related issues. The most notable of these are the re-importation of prescription drug products, drug pricing practices, patent extensions, the use of generic drugs, and the role of pharmacy benefit managers.

On August 8 and 9, the Department of Health and Human Services' Office of the Assistant Secretary for Planning and Evaluation (ASPE) held a conference entitled "Pharmaceutical Pricing Practices, Utilization, and Costs." President Clinton had requested the departmental meeting to further discussion of the drug pricing and related topics raised in *Prescription Drug Coverage, Spending, Utilization, and Prices*, a report released by ASPE in April 2000.

This Forum Session will not only highlight the findings and conclusions from the conference but also take the lessons learned and apply them to the real-time Capitol Hill debates surrounding Medicare coverage of outpatient prescription drugs and, more broadly, prescription drug pricing.

Leading off the discussion will be **Mark Merlis**, a senior fellow with the Institute for Health Policy Solutions in Washington, D.C. Merlis will summarize his paper "Explaining the Growth in Prescription Drug Spending: A Review of Recent Studies," which was commissioned by ASPE for the August meeting. The report compares the findings of four previously released studies:

- *Factors Affecting the Growth of Prescription Drug Expenditures*, prepared by Barents Group LLC for the National Institute for Health Care Management (NIHCM) Research and Educational Foundation, Washington, D.C., July 9, 1999.
- Sources of Growth in Pharmaceutical Expenditures, Brandeis University Schneider Institute for Health Policy and PCS Health Systems, Inc. (Data cited in this report were supplied by the researchers and are different from those in a preliminary presentation of study findings at a May 2000 conference in Princeton, New Jersey.)

- *1999 Drug Trend Report, Express Scripts*, Maryland Heights, Missouri, June 2000.
- *Managing Pharmacy Costs, 2000 Edition*, Merck-Medco Managed Care, LLC, Franklin Lakes, New Jersey, 2000.

Merlis explains in his paper that

this report compares the findings of several widely distributed studies, highlights the key points on which they agree or disagree, and attempts to explain the differences in study findings whenever possible. . . . The aim is merely to try to develop a coherent picture of what has been happening, without evaluating whether what has been happening is good or bad.

Joan Sokolovsky, Ph.D., a program analyst in the Division of Health Financing Policy in ASPE, will summarize the discussions that occurred during the August 8 and 9 conference. Sokolovsky was a key architect in planning and organizing the conference as well as a major contributor to the April 2000 ASPE report. Wrapping up the session will be **Michael E. Gluck, Ph.D.**, a scholar in residence with the National Academy of Social Insurance and an associate research professor with the Institute for Health Care Research and Policy at Georgetown University. Gluck recently completed a side-by-side comparison of four major Medicare prescription drug proposals for the Henry J. Kaiser Family Foundation—the Clinton/Moynihan proposal, the

FORUM SESSION

Analyst/Writer:
Robin J. Strongin

National Health Policy Forum
2021 K Street, NW, Suite 800
Washington, DC 20052
202/872-1390
202/862-9837 (fax)
nhpf@gwu.edu (e-mail)
www.nhpf.org (Web site)

Judith Miller Jones, Director
Karen Matherlee, Co-Director
Judith D. Moore, Co-Director
Michele Black, Publications Director

NHPF is a nonpartisan education and information exchange for federal health policymakers.

Medicare Modernization Act (S. 2342); the House-passed plan, the Medicare Rx 2000 Act (H.R. 4680); the Breaux/Frist bill, the Medicare Prescription Drug and Modernization Act (S. 2807); and the Graham/Bryan/Robb bill, the Medicare Outpatient Drug Act of 2000 (S. 2758). He will synthesize the “lessons learned” from the ASPE conference and apply them to the current state of affairs on Capitol Hill.

As background to this Forum session, NHPF’s Web site contains both the Merlis paper and a link to the Gluck side-by-side on the Kaiser Family Foundation’s site. To access these documents, click on the “New” icon on NHPF’s home page: www.nhpf.org.