variable is per capita pharmaceutical and other medical non-
durable expenditures. Explanatory variables investigated include per capita GDP (Gross Domestic Product), % of elderly population (65+ years), % of population with higher education (college+), school expectancy, calorie intake per capita per day, alcohol consumption in liters per capita (age 15+), % of expendi-
tures on pharmaceuticals and other medical non-durables financed by the public sector, number of practicing physicians, % of population with public health care coverage, number of doctor consultations per capita and % urbanized. All monetary values were converted into US dollars based on GDP purchasing power parity. A log-linear (constant elasticity) regression model was used. RESULTS: The final model included 6 explanatory variables with an adjusted R² = 0.744. The White test was used to correct heteroskedasticity. The natural log of GDP per capita (b = 0.435, p = 0.003), percent of elderly population (b = 0.039, p = 0.01), number of doctor consultations (b = 0.028, p = 0.008), and calories intake (b = 0.003, p = 0.002) had positive, statistically significant effects on pharmaceutical expenditures at á = 0.01. Percent of population with higher education (b = 0.012, p = 0.22) and public financing (b = −0.001, p = 0.43) were not significant. Alcohol consumption (another indicator of lifestyle behaviors); number of physicians and public health care coverage (indicators of relative size of the health care system); urban-
ization (indicator of development); and school expectancy (another indicator of educational development) did not con-
tribute to the model. CONCLUSIONS: OECD countries with more wealth, more elderly people, more doctor consultations, and more calorie intake tend to spend more on pharmaceuticals and other medical non-durables. Size of the health care system and financing methods do not explain differences in pharma-
ceutical expenditures.

**PHP26**

**THE CURRENT AND FUTURE OF PHARMACOECONOMICS IN UKRAINE**

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OBJECTIVES: In Ukraine the government authorizes the State program of maintenance of the population by medical products for 2004–2010, which provides use of pharmacoeconomic analysis methods. The State Formulary for pharmaceutical provision are formed. METHODS: We have analyzed all available pharma-
coeconomic studies published in Ukraine for 1998–2004 to assess methodological problems and potential for future use of pharmacoeconomics in drug policy. RESULTS: We have established, that the quantity of published pharmacoeconomic researches has increased in 7.3 times. Methodological quality is generally insufficient. Cost-minimization is the preferred tech-
ique although differences in effectiveness are not properly assessed. Few studies describe costing and cost-effectiveness methodologies. Modeling studies are weak due absence of epi-
demiological and economical database. Societal perspective is rarely used—the health care perspective prevails. Little study exist in Qol measurement and cost-utility techniques. Industry use of pharmacoeconomics is mainly for supporting marketing and sales. Physicians are increasingly receptive of pharmaco-
economics, but little value on modeling approaches. We develop methodical recommendations on use of pharma-
coeconomic analysis methods in Ukraine, authorized by Ministry of Health. We have conducted the analysis of consumption of antidiabetic agents in the defined daily doses. We published the circular “A Technique of pharmacoeconomical analysis ‘cost-effectiveness’ for definition of need in medicinal tools in Ukraine”. CONCLUSION: Pharmacoeconomics must improve methodological standarts in Ukraine. This is a task for both government and industry with the purpose of creation of State Formulary.

**PHP25**

**ANALYSIS OF PRESCRIBING PATTERN WITH THE NEGATIVE LIST FORMULARY SYSTEM IN KOREA**

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OBJECTIVES: All approved pharmaceutical products in Korea are available for reimbursement except some products on the negative list. The aim of this study is to examine how many prod-
ucts are actually prescribed by doctors and to compare the prescribing patterns in inpatient and outpatient settings.

METHODS: Prescription data were obtained from the Korean National Health Insurance claims database of April 2004 for all the hospitals and clinics in Korea. The numbers of prescribed products and ingredients were calculated along with the drug expenditure incurred. RESULTS: In April 2004, 19,452 phar-
maceutical products (5120 ingredients) were on the list of reim-
bursable drug formulary. Among them 9423 products (3208 ingredients), 48.2% of the reimbursable products, were actually prescribed for inpatients. For outpatients, 11,823 products (3731 ingredients), 60.8% of reimbursable products, were pre-
scribed. Although more than 9000 pharmaceutical products were prescribed by doctors, top quintile high-expenditure drugs of 1885 took up 94% of total drug expenditure for inpatients, whereas top quintile 2365 products did 91.5% for outpatients. Also, top quintile high-expenditure ingredients of 632 accounted for 93% of total drug expenditure for inpatients, whereas those of 746 ingredients did 92% for outpatients. CONCLUSIONS: Unlike in western societies, more products and ingredients were prescribed for outpatients than for inpatients in Korea. This study also showed that although various pharmaceutical prod-
ucts were prescribed, the top 20% (high-expenditure drugs) of all products and ingredients took up the lion’s share of total drug expenditure. It suggests that there is a need of introduction of positive list formulary system for the efficient drug benefit management.

**PHP27**

**QUALITY OF ECONOMIC MODELS IN DOSSIERS SUBMITTED UNDER THE AMCP FORMAT**

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OBJECTIVES: To investigate the quality and completeness of economic models submitted by pharmaceutical manufacturers to health plans under the Academy of Managed Care Pharmacy (AMCP) Format for formulary submissions, and to compare eco-


demic models of “me-too” versus drugs judged to have signifi-
cant competitive edge. METHODS: We analyzed economic models included in AMCP-Format dossiers submitted by phar-
maceutical companies to the pharmacy services staff of Premera Blue Cross (Mountlake Terrace, WA, enrollment 1.5 million) in 2003. “Economic models” were defined as mathematical simu-
lations that combined clinical and cost data to estimate the eco-
nomic value of a drug. We assessed models’ compliance with criteria recommended by the Panel on Cost-Effectiveness in Health and Medicine, including: justification of model type; statement of time horizon and discount rate; discussion and reporting of productivity changes; separate reporting of resource quantities from prices; comparison against relevant alternatives;