RESULTS: In the base case, a pharmaceutical care benefit in the elderly population would cost $6312 (year 2000 prices) per life year saved-highly cost-effective. Aside from the number of deaths that are medication-related, no individual variations in parameters raised the cost-effectiveness ratio above $10,982 per life year saved.

CONCLUSION: Despite data limitations, pharmaceutical care appears to be a highly cost effective augmentation to a Medicare drug benefit program. This result is insensitive to model parameter changes. This model is conservative in that it does not include ongoing benefits from medication monitoring, or increased elderly drug utilization and polypharmacy as the Medicare drug program is phased in.

**PHP37**

**GENERIC PRESCRIBING INDEX: A TOOL TO PROMOTE COST-EFFECTIVE PRESCRIBING**

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OBJECTIVES: This study focuses on the use of a new analytical tool, the Generic Prescribing Index (GPI), as a tool for healthcare cost containment. An illustrative cost analysis was performed using a statewide Medicaid database to demonstrate the utility of the GPI concept. The GPI is the ratio between the total number of generic prescriptions within a therapeutic class divided by the total number of prescriptions within the therapeutic class.

METHODS: A retrospective data analysis was conducted to analyze the prescribing of cimetidine, ranitidine, famotidine, and nizatidine statewide to assess the financial impact of brand name prescribing for H2 blockers. H2 blocker prescription data for SFY 2000 came from the state Medicaid database. Descriptive statistics were calculated. The GPI was calculated for the state, each region of the state, and each primary care physician in the Medicaid program.

RESULTS: The GPI for the state was 0.4319, meaning approximately 43% of H2 blockers prescribed were generic products. In over 20 counties, the brand name famotidine prescribing rate was over 50%. The use of brand name famotidine resulted in over $2 million in added expenditures (during the study period), which could have been freed up for alternative uses if ranitidine had become the medication of choice for H2 blocker prescribing.

CONCLUSION: The Generic Prescribing Index provides a model for future use in other therapeutic classes (e.g., proton pump inhibitors, ace inhibitors) with similar potential for therapeutic substitution. It is an inexpensive method to analyze prescription drug patterns and perform economic analysis. It may be useful in developing prior authorization programs and promoting cost-effective prescribing. The GPI information may be used in counter-detailing programs to illustrate the importance of selecting a medication with a generic substitute within a therapeutic class, if appropriate for the patient.

**PHP38**

**IMPACT OF SELECTED CONDITIONS ON THE COSTS OF ACCIDENTS AND INJURIES**

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OBJECTIVE: To explore whether payment mechanisms for the treatment of conditions often reimbursed outside of the health-care industry could benefit by incorporation of severity or case-mix adjustments.

METHODS: Data were culled from a fully integrated medical and pharmacy claims database, and were obtained on acute treatment episodes for all skin and soft tissue injuries, major/minor trauma, and fractures over a two-year period (N = 4.8 million). Episodes were stratified by type; selected comorbidities (arthritis, diabetes, osteoporosis) and complications (device/graft failure, post-operative infection or hemorrhage) thought to potentially affect recovery and hence total utilization and costs were identified. Measures of interest were estimated at an episode level, and included total episode duration (in days), number of services provided, and total billed charges. Measures were analyzed using techniques of multiple linear regression; in addition to markers for complications and comorbidities, independent variables included age, gender, and geographic region.

RESULTS: While absolute measures of episode duration, utilization, and charges increased with age for patients with comorbidity or complication diagnoses, the independent effects of these conditions decreased in older age groups; in particular, effect sizes in patients aged ≥ 65 years were minimal. Among individual conditions for patients aged <65 years, arthritis and osteoporosis were generally found to significantly increase episode duration but not utilization or costs. In contrast, the impact of diabetes on adjusted mean episode duration (139.5 vs. 74.8 days with and without diabetes respectively), number of services (16.8 vs. 9.9, p < .001), and total episode charges ($3,473 vs. $1,482) was significant (p < .001), using uncomplicated trauma as an example. The effects of post-operative complications were even more pronounced (e.g., $6,908 vs. $1,482 for uncomplicated trauma episodes).

CONCLUSIONS: These findings suggest that accident and injury payments should adjust for the impact of post-operative complications and diabetes on treatment duration, intensity, and costs.