Medicaid Drug Spending After the Medicare Modernization Act: What Will Be Left?

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OBJECTIVES: To evaluate drug expenditures among Medicaid recipients who are not also Medicare eligible and therefore whose costs will still be paid by Medicaid following implementation of the Medicare Modernization Act (MMA). METHODS: We analyzed 2002 pharmacy claims data and eligibility records from a 20% random sample of California Medicaid (“Medi-Cal”) recipients. The number of unique patients, prescriptions dispensed, units dispensed, and Medicaid paid amounts were obtained for each class of pharmaceuticals. Patients were considered dually eligible if they were eligible for Medicare and Medicaid coverage for at least one month in 2002. Medicaid payments, excluding rebates, were projected to the entire Medi-Cal program. For simplicity, we report findings from the top ten drug classes in terms of total Medicaid projected payments and the percentage paid for non-dually eligible recipients. RESULTS: We estimated that California Medicaid spent approximately $1.98 billion for the top ten classes of drugs. These classes represented approximately 53% of total Medi-Cal drug expenditures in 2002. Forty-three percent of these payments were for recipients who were not dually eligible for Medicare and Medicaid. The top ten classes in terms of expenditures were (with amount paid and percent paid for non-dually eligible recipients in parentheses): antipsychotics ($530 million, 55%), gastrointestinal drugs ($228 million, 32%), antidepressants ($220 million, 50%), antivirals ($191 million, 49%), antihyperlipidemics ($172 million, 27%), NSAIDs ($162 million, 33%), anticonvulsants ($142 million, 53%), antidiabetics ($122 million, 32%), calcium channel blockers ($113 million, 24%), and opiate agonists ($96 million, 43%). CONCLUSION: The California Medicaid program will remain responsible for a substantial portion of drug spending for central nervous system disorders following implementation of the MMA, but the cost burden for cardiovascular medications will be lowered greatly.

Who Will Request a Switch to New Treatment as a Result of Direct-to-Consumer Advertising?

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OBJECTIVES: To identify the factors that influence consumers to request a switch to new treatment as a result of Direct-to-Consumer (DTC) advertising. METHODS: Data were taken from a national survey, “Public Health Impact of Direct-to-Consumer Advertising of Prescription Drugs, July 2001-January 2002”, conducted by researchers from Harvard Medical School. Participants (n = 3000) were interviewed by telephone. We constructed a conceptual framework consisting of outcome (switching request), intervention (DTC experience) and five groups of explanatory factors (health beliefs, demographics, health status, socioeconomic status and market factors). Data were analyzed with multivariate stepwise logistic regression. The dependent variable was whether a DTC advertisement for a prescription drug had ever prompted the patient to ask for a change to new treatment for a medical condition or illness. RESULTS: Health beliefs were strong predictors of switching request. Patients who regarded media as the most important referent source were more likely to make requests than those who did not. (OR, 4.8; 95%CI, 3.42–6.71). Believing that DTC adver-