IMPACT OF DRUG POLICY ON IMPROVING ACCESS TO MEDICINES IN DELHI

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ORGANIZATION: Indian Institute of Health Management Research (IIHMR), Jaipur, India & Delta Society for Promotion of Rational Use of Drugs (DSPRUD), Delhi. PROJECT OR ISSUE ADDRESSED: To evaluate the impact of drug policy reforms on the availability and use of medicines in Delhi

Two public sector hospitals at Delhi that serve a large section of the population, one with 1310 beds (large) and the other with 510 beds (medium), were selected for the study following a convenient purposive sampling method. RESULTS: After the implementation of the drug policy, the availability of drugs increased by 25% in the large and 98% in the medium hospital. The drugs procured from the EDL increased from 62% to 78% in the large and 74% to 87% in the medium hospital. Of the total expenditure, the money spent on nonessential drugs decreased from 73% to 85% in the large and 87% to 93% in the medium hospital, whereas money spent on nonessential drugs decreased from 27% to 15% in the large and 13% to 7% in the medium hospital. The average number of stockout days for key drugs decreased from 33 to 16 days in the large and from 43 to 18 days in the medium hospital. The utilization pattern of health services by patients improved by 8% in the large and by 35% in the medium hospital. LESSONS LEARNED: The implementation of the drug policy in the state of Delhi has led to increased availability of essential drugs. This type of intervention can serve as a model to increase access to medicines by implementing an effective drug policy through a NGO working with the government, and involving bureaucratic and political commitment.

HOW TO IMPLEMENT NATIONAL ESSENTIAL MEDICINE LIST IN SHANGHAI: PROS & CONS

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ORGANIZATION: Shanghai is a municipal in China where has 14 million residents and 6 million migrated populations. The Bureau of Health is the health authority and has the jurisdiction of health legislation and policy implementation in Shanghai.

PROBLEM OR ISSUE ADDRESSED: The study is to identify how to implement national essential medicine policy in an economic advanced municipality. GOALS: From the perspectives of policy makers, it needs not only to follow the central government requirements but also to adopt the local situation OUTCOMES ITEMS USED IN THE DECISION: Progress indicators used in monitoring and evaluation of essential medicine policy IMPLEMENTATION STRATEGY: The situation analysis is needed. Information of availability and affordability of essential medicines should be evaluated by WHO/HAI method in Shanghai. The distribution of essential medicines in different levels of hospitals is analysed from bulk purchasing data base and IMS data CHPA. The pharmacetical expenditure in 2001-2007 will be collected from Shanghai sub-national health accounts. RESULTS: Shanghai is an important pharmaceutical market in China. The total pharmaceutical expenditure was 17.5 billion Yuan (USD) in 2007. The share of pharmaceutical expenditure in total health expenditure was 30.6%, which was equal to 1.47 GDP. Eighty percent of pharmaceuticals were sold from hospital channel, among them, 67% of cost spent in outpatient department and 32%, in inpatient department. The ratio between western (chemical) medicines and traditional Chinese medicines was 84% and 16%, respectively. The mark-up ratio used to be 20%–30%, which are main component in hospital revenue. Since 2009, China has conducted a nationwide health system reform. By the time of 2011, China will establish a preliminary national essential medicine system, 307 items of medicines have been selected by central government. The essential medicine list will be used in all urban public hospitals, community health centres and rural township health centres. The selection of essential medicines is based on the principle of opinion leaders, evidence medicine and pharmacoeconomic evaluation. China has launching an initiative on medical and pharmaceutical system reform since April, 2009 after publishing government official documents. According to the survey, as a matter of fact, the medicines used in urban community centres in Shanghai have already accounted for nearly 2000 items. Only did 25% value or volume of pharmaceuticals are belonged to 307 essential medicines.

OUTCOMES ITEMS USED IN THE DECISION: How to adjust the utilization of essential medicines is the challenge facing to the policy makers. LESSONS LEARNED: It is really a trade-off. Universal coverage of essential medicine is a human right. The implementation of national essential medicine policy will offer safety, effective, convenience and affordable medicines to release the economic burden of the patients. However, if the primary hospital has protected the national essential medicines, it will let the patient flown to the secondary or tertiary hospital. The role of gatekeeper will diminish in the primary health care. This case will tell you that the decision made by Shanghai municipal government are as follows: (1) The government has set up a framework of national essential medicine list, Shanghai will adopt the number and forms of essential medicines to meet the need of 85% pharmaceutical pattern in the primary health care; (2) All grass-root health facilities will allocate and use essential medicines; (3) Zero mark-up ratio will be used in the sale of medicines in primary hospital, medicines were stocked in the storehouse of the hospital. LESSONS LEARNED: (1) CONSISTENCY OF GOVERNMENT POLICY: "Yin & Yang" (DACON) ANALYSIS IN A US PHARMACY BENEFIT MANAGEMENT (PBM) COMPANY

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Parts of this research were sponsored by and conducted in collaboration with Cephalon, Inc. ORGANIZATION: MedImpact is a Pharmacy Benefit Management (PBM) company serving more than 32 million members nationwide. PROBLEM OR ISSUE ADDRESSED: There is a need in the managed care setting to rigorously compare pharmaceuticals with similar therapeutic indications for formulary coverage decisions based on clinical advantages, utilisation and budgetary differences. The aim of this study is to determine the budget impact of armodafinil and modafinil. OUTCOMES ITEMS USED IN THE DECISION: The primary measure used in the analysis was DACON from pharmacy claims data applied to economic modeling. The analysis was not specific to dosage regimen or indication. IMPLEMENTATION STRATEGY: The DACON of armodafinil and modafinil were examined in a large retrospective database analysis of Wolters Kluwer Source LX pharmacy analytic file between March 2009 and October 2009. The study dates were chosen to provide 5 full months of armodafinil claims data after commercial avail-
ability (June 1, 2009) and 3 months of data prior to account for patients who switched from modafinil to armodafinil. DACON was calculated by dividing the total tablets dispensed by the total days supplied. MedImpact subsequently conducted a DACON analysis using its pharmacy claims data from 3rd quarter of 2009. The MedImpact DACON values for armodafinil and modafinil were examined and incorporated into economic modeling of the pharmacy budget impact. The cost per day of therapy was calculated as the weighted average cost per tablet (based on wholesale acquisition cost as of January 2010), exclusive of any discounts or rebates multiplied by the MedImpact DACON. RESULTS: DACON results for armodafinil was 1.03 based on 21,085 armodafinil prescriptions and the DACON for modafinil was 1.40 based on 278,985 modafinil prescriptions in the Wolters Kluwer Source LX data. In the MedImpact analysis, DACON values for armodafinil was 1.05 and the DACON for modafinil was 1.47. The DACON for armodafinil and modafinil was applied to an economic model using a simulated 1,000,000 member life plan of which 0.5% of the lives were treated with modafinil. In the period prior to commercial availability of armodafinil, the utilization was 100% modafinil. Based on economic modeling using the MedImpact DACON and difference in the daily cost of both therapies, based on 7% actual utilization of armodafinil, the projected cost savings was $469,755. On a per-member per month (PMPM) basis this simulated population experienced a cost savings of $0.039 PMPM. A 25% utilization of armodafinil would provide a projected cost savings of $1,677,696 and a PMPM savings of $0.140 PMPM. LESSONS LEARNED: In this simulated population, the data suggests that armodafinil with a lower DACON and cost per tablet compared to modafinil would save $469,755 over 1 year in this therapeutic class. MedImpact consistently examines the utilization of pharmaceuticals with similar indications by analyzing DACON and other metrics using retrospective claims analysis in tandem with budget impact models. DACON provides real-world utilization that can have a significant impact on pharmacy budgets. Private payers should leverage their access to claims data that can help to more accurately measure pharmaceutical utilization. By using pharmaceutical claims data in tandem with well-designed economic models, payers can better estimate current and future spending.