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TRENDS IN PHARMACEUTICAL SPENDING GROWTH IN THE UNITED STATES, 1998–2002

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OBJECTIVES: Increasing drug utilization, increasing average drug cost, or both may be responsible for pharmaceutical spending growth in the US. Recent trends in outpatient drug utilization were examined to assess the relative contribution of both factors. **METHODS:** Five-year trends in expenditures and prescribing rates for outpatient drugs were estimated by analyzing the most recently available nationally representative data from the Medical Expenditure Panel Survey (MEPS), National Ambulatory Medical Care Survey (NAMCS) and National Hospital Ambulatory Medical Care Survey (NHAMCS). **RESULTS:** MEPS data indicate that from 1998 to 2002 outpatient prescription drug expenditures (excluding inpatient prescriptions, over-the-counter medicines and samples) nearly doubled from \$78 billion to \$151 billion. Total number of prescription drug purchases increased by 37%, while average cost per prescription increased by 41%. Over the same period, NAMCS and NHAMCS data reveal that physician office, hospital outpatient department and emergency department visits accounted for 81%, 8%, and 11%, respectively, of medications given at outpatient visits (prescribed or provided). For visits at which medications were given, number of visits increased by 6.9%, 12.6% and 16.6%, and number of medications per visit increased by 6.6%, 8.5%, and 13.5% for physician office, outpatient department, and emergency department visits, respectively. However, the proportion of physician office and outpatient department visits at which drugs were given remained relatively constant at approximately 65%. The proportion of emergency department visits at which drugs were given increased from 71.3% to 75.8%. **CONCLUSION:** Total drug utilization and average drug cost both increased to a comparable degree between 1998 and 2002. Although the total number of visits and the average number of drugs given per visit increased, the proportion of health care visits at which outpatients received drugs or prescriptions was relatively stable. Increased utilization was greater for emergency department visits than for physician office or hospital outpatient department visits.

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IMPACT OF HEALTH INSURANCE ON HEALTH-RELATED QUALITY OF LIFE

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OBJECTIVES: Relationships between health insurance status and health-related quality of life (HRQOL) were investigated. **METHODS:** The 2000 Medical Expenditure Panel Survey data were analyzed to examine relationships between health insurance status and health-related quality of life. HRQOL was measured using the SF-12 Physical Component Summary (PCS) and SF-12 Mental Component Summary (MCS). The sample included adults aged 25 to 64 years who did not have Medicaid or Medicare coverage. Respondents who were insured for only part of the year were excluded from the analysis. Survey weighted multiple regression models using SAS version 8.2 were used for the analysis. The analysis controlled for sociodemographic variables, attitudinal variables and medical conditions. The analysis also investigated and controlled for the possible endogeneity of the health insurance status variable in the models. **RESULTS:** Of the 8141 adults in the sample that met inclusion criteria, 1449 (17.79%) were without health insurance for the entire year. Tests

were positive for endogeneity of the health insurance status in PCS model but not in the MCS model. After adjusting for covariates that included age, gender, race, education, income, attitude towards the value of health insurance and health care, and presence or absence of each of nine reported medical conditions, individuals without health insurance had significantly lower PCS scores than those with health insurance. Individuals with family income above 200% of federal poverty level had a higher detrimental effect of absence of health insurance on PCS compared to individuals with family income below 200% of federal poverty level (Beta = -10.85 versus Beta = -8.21). The adjusted adverse effect of no health insurance also was significant in the MCS model (Beta = -1.43; SE = 0.49). **CONCLUSIONS:** The detrimental effect of lack of health insurance on HRQOL equals or exceeds the detrimental effect of many serious medical conditions on HRQOL.

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FINANCING TO MEDICINES IN MEXICO

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OBJECTIVES: The objectives of this work are oriented in the first place to discuss the modalities of the financing of medicines, in special to study the characteristics of the access forms and financing to medicines according to the level of the income of the household in Mexico. In the industrialized countries the forms of financing of medicines, like the financing to the services of health is made by means of some scheme of copayment or subsidy the vulnerable groups. But in the non industrialized countries the main form of financing of medicines comes from the out-of-pocket household which is very inequitable. **METHODS:** For this study the registries of the surveys of households income by 2002 of Mexico to study the medicine expenditure by deciles of income. With this information the coefficients of Gini and the curve of Lorenz are considered. Additionally it is used the public and private information on the price and the cost in medicines. **RESULTS:** The access to medicines in Mexico is not related to the necessities of health but to the availability of income of the households, because 85 % of the medicines are acquired by means of the out-of-pocket money of households, because the social security provides free of charge medicines only 15 % of them. The income survey cost of the homes sample that 39 % of the medicine consumption in the private market both make last deciles of greater income; also one is that the consumption of the decil of greater income is four times superior to the one of the population with smaller income. **CONCLUSIONS:** The access to medicines in Mexico are not related to health needs but to household income. Also medicine prices constitutes an effective barrier to medicine acces to a suitable therapy.

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THE DETERMINANTS OF EXPENDITURES ON PHARMACEUTICALS AND OTHER MEDICAL NON-DURABLES IN OECD COUNTRIESZhang D¹, Carlson A²¹University of Minnesota, Minneapolis, MN, USA; ²Data Intelligence, Eden Prairie, MN, USA

OBJECTIVES: To investigate the determinants of expenditures on pharmaceuticals and other medical non-durables in OECD (Organization for Economic Cooperation and Development) countries. **METHODS:** This is a cross-sectional study using year 2000 data for twenty-seven OECD countries. The dependent