

Debate Continues Over Use of Stimulus Funds

BY JOYCE FRIEDEN

WASHINGTON — The health care provisions in the federal economic stimulus package continue to spark disagreement between Republicans and Democrats, as seen at a diabetes meeting sponsored by Avalere Health.

Wendell Primus, senior policy advisor to House Speaker Nancy Pelosi (D-Calif.), noted three provisions of interest in the Recovery Act (formally called the American Recovery and Reinvestment Act of 2009): \$87 billion in Medicaid funding to states; a 65% subsidy to laid-off workers who are still receiving health coverage from their former employers through the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986; and \$19 billion to be invested in health information technology (HIT).

Under the HIT component of the law, the government must develop certain technology standards, Mr. Primus explained.

One important standard is interoperability. "We have an example [of noninteroperability] right here in town," Mr. Primus noted. "The George Washington [University] Hospital just recently bought an HIT system for its emergency department and one for its inpatient department, and unfortunately those two systems don't talk to one other. We're going to try to make sure that doesn't happen."

Functionality is another critical standard. "If I have a doctor-patient relationship, I may know what I think your situation is, but I may not know the four doctors that have seen you since your last visit to me," said Mr. Primus. "I want [the medical record] to quickly be able to tell the doctor that's currently visiting that patient what has happened, and what the other four doctors have prescribed. We also want the system to be able to do reminders and things like that." The government also must develop standards for data security and for privacy.

The Recovery Act includes incentives

of \$40,000-\$60,000 for providers to use toward the purchase of an HIT system. Over time, "those incentives turn into penalties" in the form of reduced reimbursement from government health care programs if physicians do not adopt an HIT system, he said. "We're using the sticks of Medicare and Medicaid to make sure we get all doctors' offices wired within 8-10 years."

From the Republican perspective, Dan Elling, minority staff director on the House Ways and Means subcommittee on health, said some of the HIT provisions were problematic.

"We were glad to see HIT move forward. Having hospitals and doctors be able to talk to one another and coordinate care ... is going to improve our health care system," he said. However, "the incentive payments don't start until 2011. If this is part of the stimulus bill and we're not spending the money for another 3 years, what are we doing?"

In addition, "each physician would be able to qualify for up to \$64,000 in incentive payments, independent of the actual cost of the system," said Mr. Elling, whose boss is Rep. Dave Camp (R-Mich.). "So if you're part of a 20-doctor practice that's able to use economies of scale ... and purchase an HIT system that costs \$20,000 per physician, that doctor is able to pocket the extra \$44,000. That's taxpayer money. We'd [prefer] language that says, 'You only get what you pay [out]'" in terms of reimbursement by the government.

Another big chunk of the Recovery Act funds is the \$1.1 billion for comparative effectiveness research. CER is designed to "make doctors and [other] providers smarter" by letting them know which treatments are the most clinically effective and the most cost effective, according to Mr. Primus. He said that CER is not "cookbook medicine," but is aimed at producing "better public knowledge."

Mr. Elling agreed that "done effectively, there's a lot of promise in CER. Getting more information to patients and physicians is outstanding and we should be doing that." But he added that "this is the camel's nose under the tent on government control of your health care," especially since the consumer effectiveness board that's called for in the bill comprises only government employees, with no practicing clinicians or patient advocates as members.

Mr. Elling offered a cautionary tale about CER. "We've seen how they apply [CER] in other countries," he said. For instance, the policy at the U.K. National Institute for Health and Clinical Excellence, the organization that determines which treatments the National Health Service will pay for, says that "if you want the expensive drug for macular degeneration, you have to go blind in one eye before they'll give it to you for the other eye. That's CER right there." ■

POLICY & PRACTICE

Alzheimer's as Economic Threat

Without decisive political action, the economic consequences of Alzheimer's disease could dwarf the current economic crisis, according to the final report of the Alzheimer's Study Group, which Congress created in 2007 and included politicians, advocates, physicians, and researchers. The group's "National Alzheimer's Strategic Plan" calls for reengineering dementia care delivery and more research focused on delaying and preventing Alzheimer's disease. It also calls on Medicare to increasingly reimburse physicians for dementia care according to the quality of their work. By 2016, these "value-based payments" should cover half of all dementia care, said the group cochaired by former House speaker Newt Gingrich and former senator Bob Kerrey. The Alzheimer's Association praised the strategic plan for bringing attention to the "looming national crisis" created by the condition. "An investment in Alzheimer's is not only good social policy, it is an economic necessity," said Harry Johns, president and CEO of the association.

Dementias Three Times as Costly

In a separate report, the Alzheimer's Association said that Medicare pays out three times as much for the care of beneficiaries with dementias, averaging \$15,000 annually, as it does for people who are free of the brain diseases. The association estimated that 5.3 million Americans are living with Alzheimer's, 500,000 new cases will emerge in 2010, and that the toll will rise to a million new cases annually by 2050. From 2000 to 2006, Alzheimer's disease deaths rose 47%, whereas deaths from other major diseases declined. The disease is also taxing family members, who care for 70% of people with Alzheimer's. For example, a survey in Washington State found that half of caregivers said that stress was their greatest difficulty.

Bill Seeks to Speed Neuro Research

Federal lawmakers are turning their attention to neurologic research, citing the \$1 trillion annual economic burden of brain and central nervous system conditions. Sen. Patty Murray (D-Wash.) and Rep. Patrick Kennedy (D-R.I.) introduced the National Neurotechnology Initiative Act of 2009 in the House (H.R. 1483) and Senate (S. 586) in March. The bill would increase funding to the National Institutes of Health, coordinate neurologic research across federal agencies, and streamline the approval process for neurologic drugs at the Food and Drug Administration. "With mental health parity now law, we are moving in the direction of bringing greater attention to brain-related illness," Rep. Kennedy said in a statement.

Stem Cells Could Spur Business

President Obama's recent executive

order lifting certain restrictions on federal funding for embryonic stem cell research could result not only in new therapies, but also in a new and profitable worldwide market. If stem cell therapies emerge, regulatory acceptance comes quickly, and insurers cover the therapies, the market for stem cell treatments could grow to \$500 million by 2013, according to Kalorama Information, a life science market research firm. That's nearly 30 times the size of the stem cell market in 2008, according to Kalorama's estimates.

MS Repository Is Expanding

The Accelerated Cure Project for Multiple Sclerosis has added a new collection site for multiple sclerosis blood samples and data. Beth Israel Deaconess Medical Center in Boston will join academic and research institutions in Massachusetts, Maryland, Texas, New York, Arizona, Ohio, and Georgia partnering with the national nonprofit organization. The repositories, intended to support research in genetics, nutrition, virology, and other areas, contain samples and information from not only people with multiple sclerosis, but also those with certain other rare neurologic disorders.

Painkiller Admissions on Rise

The Substance Abuse and Mental Health Services Administration reported that the proportion of treatment admissions attributable to prescription painkiller misuse rose from 1% in 1997 to 5% in 2007. The data come from the Treatment Episode Data Set 2007 Highlights report, which also found that alcohol-related admissions still predominate but have declined from 50% to 40% over the 10-year period. Heroin-treatment admissions remained steady for a decade, at 14%, and methamphetamine admissions hit 8% in 2007, up from 4% in 1997. The data set is not comprehensive because it comes only from state-licensed treatment facilities.

87 Million Americans Uninsured

Nearly 87 million Americans—1 out of 3 people under age 65—were uninsured at some point during 2007-2008, according to a report from the advocacy group Families USA. More than half of individuals and families with incomes between the federal poverty level and twice the poverty level—between \$21,200 and \$42,400 in annual income for a family of four in 2008—went without health insurance at some point in 2007-2008, the report said. In addition, most of those who went uninsured did so for extended periods: Almost two-thirds were uninsured for 9 months or more. Four of five of the uninsured were in working families, and most of these families included someone employed full time, the report said.

—Mary Ellen Schneider

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