Policy & Practice

Prempro Damages Reduced

A Nevada District Court judge has significantly reduced compensatory and punitive damages awarded to three women who alleged that the hormone therapy drugs Premarin and Prempro caused their breast cancer. Last month, Washoe County District Judge Robert Perry reduced the original damages against the drug maker Wyeth from $134.3 million to $57.8 million. The bulk of the reduction came from the punitive damages, which were lowered from $99 million to $35 million. Despite the reduction in the damage award, Wyeth still is planning to appeal the findings to the state supreme court. "While it's encouraging that the district court acknowledged the excessiveness of the award to some extent, it doesn't change the fact that the verdict was irreparably flawed and fraught with error," Wyeth spokesman Doug Petkus said in a statement.

ACOG Tightens Industry-Gifts Advice

Ob.gyns. should keep in mind that even gifts of nominal value offered by pharmaceutical and device companies are intended to influence behavior, the American College of Obstetricians and Gynecologists wrote in an updated opinion on relationships with industry. ACOG advises that cash gifts should not be accepted and that if physicians choose to take any other gifts, they should benefit the patient primarily. For example, textbooks and study aids could be considered acceptable gifts if they have a legitimate educational value, states the opinion produced by the ACOG Committee on Ethics, which updates an opinion issued in 2004. The statement includes recommendations on product promotion to individual physicians; support of educational activities and awards; donations, parties, and opportunities for investment; industry sponsorship of research; and speakers bureaus and consulting. The ACOG committee opinion was published in the March issue of Obstetrics and Gynecology.

Don't Blame Technology for Costs

Medical devices and in vitro diagnostics account for a relatively small 6% ($112 billion) of the nation's overall health expenditures and should not be blamed for rising health costs, said officials from the device industry's lobby, AdvaMed, at a briefing in February. The group released what it called one of the first-ever studies to examine device cost trends. The study—paid for by AdvaMed—was conducted by Roland Guy King, a former chief actuary for the Medicare and Medicaid programs. Devices and diagnostics accounted for a steady 6% of expenses from 1989 to 2004. Prices grew more slowly—1.2% annually—than the medical consumer price index, which is about 5% a year, or the consumer price index, which is about 2.8% annually, according to the study. "The highly competitive medical device marketplace is working and delivering tremendous value both in patient care and in economic terms," said Stephen J. Ubl, AdvaMed president and CEO.

FDA Would Expand Promotion

The Food and Drug Administration last month proposed draft guidance that would allow drug and medical device makers to distribute medical or scientific journal articles and reference publications that involve unapproved uses of FDA-approved drugs and medical devices. Drug and device makers had been allowed to disseminate such materials under guidelines set by the FDA, but that authority expired in September 2006. The FDA's new "Good Reprint Practices" draft guidance states that the article or reference should be published by an organization that has an editorial board and fully discloses conflicts of interest. In addition, articles should be peer reviewed, and manufacturers should not distribute special supplements, publications funded by product manufacturers, or articles not supported by credible medical evidence. Rep. Henry Waxman (D-Calif.), chairman of the House Committee on Oversight and Government Reform, blasted the FDA for its proposal.

Medicare Launches EHR Demo

Small- and medium-size physician practices in a dozen health markets across the country will be eligible to receive Medicare incentive payments for using certified electronic health records under a new demonstration being launched by officials at the Department of Health and Human Services. Financial incentives will be awarded to up to 1,200 practices that use certified EHRs to meet certain quality measures. Physicians who participate in the demonstration also would be eligible to receive bonus payments, based on the number of EHR functionalities physicians incorporate into their practices. Over the course of the 5-year project, individual physicians can earn up to $58,000 and $290,000 per practice. HHS will accept applications from officials in communities interested in participating in the demonstration through mid-May.

—Mary Ellen Schneider