POLICY & PRACTICE

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Health Information Grants Set

Fifteen communities will share $220 million in health information technology grant money from the Department of Health and Human Services, and nine of the projects are aimed at improving diabetes treatment. The Beacon Community grants provide funding to "communities at the cutting edge of electronic health record adoption and health information exchange," the HHS said. For example, the Rhode Island Quality Institute in Providence received nearly $16 million to improve diabetes management and adult immunization rates, while the Western New York Clinical Information Exchange in Buffalo, also received about $16 million in grant funding to develop clinical decision support tools and "innovative telemedicine solutions" to improve care for diabetic patients.

Recovery Funds for Endocrinology

The National Institutes of Health announced it will fund two construction projects supporting endocrinology research as part of an overall $1 billion in American Recovery and Reinvestment Act grants for research infrastructure. Wichita (Kansas) State University will receive nearly $2.2 million to build and renovate labs supporting research into age-related changes in the chemical structure and biological function of follicle-stimulating hormone in women. Meanwhile, New Jersey's Rutgers University will receive about $9.5 million to build a facility for study of the genetic causes of diabetes, autism, schizophrenia, alcoholism, and drug addiction.

Public Citizen Calls for Trial's Halt

The Food and Drug Administration should immediately halt an international trial designed to assess the cardiovascular risks associated with the diabetes drug rosiglitazone (Avandia) because research has already shown that it is more dangerous than its competitor pioglitazone (Actos), advocacy group Public Citizen said in a joint statement with a Canadian scientist. In a letter to the FDA, Public Citizen's Dr. Sidney Wolfe and Dr. David Juurlink, a Toronto researcher who led a large study that in 2009 found rosiglitazone associated with more heart failure and death than pioglitazone, said that continuing the Thiazolidinedione Intervention in Vitamin D Evaluation, TIDE trial, is unethical. Run by drug manufacturer GlaxoSmithKline, the trial began in 2009 and involves 137 sites in 14 countries. "It really does not make sense that this trial should continue," said Dr. Juurlink in a statement. "These are patients, not guinea pigs."

FDA Wants New Diabetes Test

Makers of diagnostic tests should develop a product to identify people at risk of developing the disease yet are hidden in seemingly low-risk populations, an FDA official said. Unfortunately, most of the proposals the FDA sees are for screening tests that identify people clearly at high risk for diabetes, and those tests are "not as useful," said Courtney Harper, Ph.D., of the FDA's Center for Devices and Radiological Health. Most at-risk patients in low-risk populations are not being monitored for the disease nor motivated to make lifestyle changes that could prevent development of type 2 diabetes, Dr. Harper said. She added that another useful tool would be one that puts people in low-risk as well as high-risk categories, she said. Dr. Harper spoke at a type 2 Diabetes Prevention Summit hosted by George Washington University.

Pay Increased for Density Test

Starting June 1, Medicare is increasing payments for dual-energy x-ray absorptiometry (DXA) services. With the increase, DXA payments will be slightly less than 70% of what they were in 2006, when Congress first mandated payment cuts. The current increase is required under the recently enacted health reform law, the Patient Protection and Affordable Care Act. The act increased payments for 2010 and 2011 and called for a study of the impact of past payment reductions. Officials at the Centers for Medicare and Medicaid Services said that procedures performed between Jan. 1 and May 31, 2010, will be retroactively paid at the higher rates, but details on handling those claims are still being worked out, according to the American College of Rheumatology. The college, which praised the increased DXA payment, estimates that the nonfacility fee for CPT code 77080 will rise from the current $45.21 to $97.92. The same service was paid at $143.32 in 2006.

AARP Tallies Big Drug Price Rise

The AARP said that brand name prescription drug prices rose almost 10% in the year ended March 31, compared with a 0.3% rise in general inflation over the same period. The seniors' advocacy group said that the increase for the 25 brand-name drugs prescribed most often to Medicare beneficiaries for chronic conditions was the largest since the organization began tracking such data in 2002. The report said that prices for a sample of generic drugs declined by about 10% over the same period. Prices of specialty drugs—which include injectables and biologics used to treat cancer, rheumatoid arthritis, and other chronic diseases—rose by about 9%. That was less of an increase than in the 3 previous years. Pharmaceutical Research and Manufacturers of America Senior Vice President Ken Johnson said in a statement that the report is "based on incomplete information" because prices don't take into account discounts and rebates.

—Jane Anderson

BUSINESS BRIEFS

FDA Clears Glucose Monitoring Strip

Abbott has received Food and Drug Administration clearance to market its FreeStyle Lite blood glucose monitoring strip. First shipments will go out in July; widespread availability is expected by the end of August. The test trips use a glucose dehydrogenase flavin adenine dinucleotide, which is unaffected by common nonglucose sugars such as maltose and galactose, and which minimizes the potential for other interference, according to a company statement. The new strips are designed to ensure faster blood application and a reduction in the number of error messages and wasted strips. These features provide a "better testing experience … especially for people who use insulin to manage their diabetes," said Heather L. Mason, senior vice president of Abbott Diabetes Care. The FDA clearance follows Abbott's announcement of the product's European availability.

GSK Inks Deal With Dong-A Pharmaceutical

In an alliance designed to help GlaxoSmithKline gain a share in the rapidly growing Korean pharmaceutical market, GSK is paying 142.9 billion South Korean won ($128.7 million) to acquire a 9.9% stake in Dong-A Pharmaceutical, South Korea's leading prescription and over-the-counter drug company. The deal will make GSK Dong-A's second largest shareholder after Kang Shin-Ho, Dong-A's chairman, who holds a 10.6% share. According to GSK, the initial focus of the collaboration will be to copromote products from both firms in Korea's primary care market. A new business unit will be established within Seoul-based Dong-A to capture additional synergies. These could include partnerships on select Dong-A chemical entities leveraging GSK's global commercial infrastructure and expertise, as well as codevelopment of branded generics, the company added. "It's an innovative partnership to support GSK's growth and diversification strategy," said Kim Jin-Ho, general manager of GSK Korea. The partnership could serve as a cushion for GSK's pending loss of patent protection on some of its drugs, said Bae Ki-Dal of Shinhan Investment Corp. "It's fair to say that GSK and Dong-A are forming a united front against potential setbacks," he said.

Takeda Cuts Jobs, Boosts R&D

Citing patent loss on key products sold in North America along with the strong yen against the U.S. dollar and other currencies, the Japanese pharmaceutical company Takeda reported revenue decreases of 4.7% in fiscal 2009, its first sales decline in 19 years. The type 2 diabetes drug Actos (pioglitazone), one of Takeda's core products, will lose its U.S. patent in 2011. The company's settlement of patent infringement lawsuits with six of eight generic firms for Actos and Actoplus Met (pioglitazone/metformin) will delay the generics' penetration until August 2012. Anticipating a 5% reduction revenues and a 26% loss in operating income for fiscal 2010, Takeda will boost research and development expenditures to accelerate pipeline development. The company plans to launch alogliptin, which it positions as a key post-Actos product, in 2012. Basen (voglibose), a type 2 diabetes treatment, and several other company products also are facing expirations. In light of patent expiries and revenue loss, Takeda announced that it will let go 10% of its employees—about 2,000 people. Most of the cuts are expected in the company's U.S. subsidiary, Takeda Pharmaceuticals North America.

Pfizer, Washington U. in 5-Year Deal

Pfizer has announced a 5-year deal with Washington University in St. Louis, during which time the university will receive $22.5 million and its researchers will have access to a searchable, proprietary database of Pfizer compounds and related information. It will be a "truly collaborative partnership," said Don Frail, chief scientific officer of Pfizer's Indications Discovery Unit. The arrangement enables the pharmaceutical company to take advantage of external research and development capabilities at a nominal price. Pfizer's history of partnerships with Washington University, which goes back nearly 30 years, has shown that the school's Center for Genome Sciences has significant expertise in a broad range of diseases, including diabetes and related metabolic disorders, asthma, chronic obstructive pulmonary disease, and Alzheimer's, Mr. Frail said.

—From staff reports

Reporters and editors from Elsevier's "The Pink Sheet" contributed to this column.