

# AMA Delegates Vote to Support Drug Importation

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ATLANTA — Delegates to the American Medical Association's 2004 interim meeting made a bold move to support prescription drug importation by wholesalers and pharmacies, provided that certain conditions were met to ensure patient safety.

"Prescription drugs should be available at the lowest price possible, and we must ensure quality and safety," AMA Trustee Edward Langston, M.D., said at a press briefing following the vote.

The policy approved by the House of Delegates states that the drugs must be approved by the Food and Drug Administration and must be subject to a closed distribution chain and reliable "track and trace" technology. The policy was swiftly approved by the house after much discussion in committee.

The AMA also reaffirmed that it does not support personal importation of prescription drugs via the Internet until patient safety can be assured.

The policy urges the AMA to educate members regarding the risks and benefits associated with reimportation efforts.

"We're certainly gratified the AMA emphasized the need for safety" in its new policy, Jeff Trewhitt, spokesman for the Pharmaceutical Research and Manufacturers Association, told this newspaper. PhRMA, however, "remains convinced that importation is too riddled with problems to pursue."

The AMA's position on patient safety and reimportation could change once it reviews a forthcoming report from a task force of the Department of Health and Human Services, the policy stated.

The issue is certain to come up in the House of Delegates again. In committee debate, Erich Garland, M.D., AMA delegate from the American Academy of Neurology, asked that the AMA look further into the cost discrepancy between Canada and other countries. Recently, "I was surprised to find that large insurance companies were reimbursing patients for medicines they got in other countries," Dr. Garland said. "We shouldn't need to reimport medicine."

Delegates approved several measures designed to address the influenza vaccine shortage, asking that physicians be allowed to form purchasing alliances for competitive purchasing of the vaccine comparable with large purchasers supplying pharmacy and grocery chain stores.

Language to study mechanisms to help the uninsured was also approved. Delegates in one instance broadened the scope of a board report, stipulating that federal legislation to authorize and fund state-based demonstration projects should include—but not be limited to—imple-

menting income-related, refundable, and affordable tax credits.

In other actions, delegates voted to:

- ▶ Seek the replacement of the Medicare payment formula's sustainable growth rate with payment updates that reflect increases in the cost of medical practice.

- ▶ Pursue caps on noneconomic damages as a top priority in liability reform, with a request to the board of trustees to report efforts to reform the civil justice system, as part of its coalition-building activities.

- ▶ Support federal funding of comprehensive sex education programs that stress the importance of abstinence in preventing unwanted pregnancies and sexually transmitted diseases, and that also teach about contraception and safer sex.

- ▶ Create model state legislation for physicians who testify in medical liability cases, emphasizing that they must meet statutory expert witness requirements, such as comparable education, training, and occupational experience

in the same field as the defendant.

"Junk science has no place in the courtroom," said Donald Palmisano, M.D., AMA's immediate past president.

The stance on prescription drug importation provided the House of Delegates the opportunity to flex its political muscle at a time when the AMA is struggling with its identity and appeal to younger physicians.

Delegates heard the evidence for themselves in video clips of young participants in focus groups, and in new survey data, where only 11% of 800 physicians identified the AMA as a leadership body to which they could relate.

"Physicians simply aren't clear about who we are and what we do," Michael Maves, M.D., the AMA's executive vice president, said during the meeting's opening session.

In addition, "the AMA is not getting credit from physicians for the advocacy work it does," said Ajay Gupta, a principal at McKinsey & Co., a management consulting firm that conducted the survey and the focus groups.

The survey reaffirmed a trend that physicians prefer specialty or state societies to a broader umbrella organization. Only 19% of the survey participants thought the AMA increased opportunities for their voices to be heard on important issues, as opposed to specialty groups (49%) and state groups (30%). In comparing current member penetration, the AMA "was fifth in the wallet behind specialty, state, and county societies," Mr. Gupta said.

The percentage of nonrenewals in AMA membership has doubled from 10% to 20% over the last decade, with young, active physicians accounting for most of the decline. "That amounts to 430,000 physicians who are no longer members," Mr. Gupta said. ■

## POLICY & PRACTICE

### Depression Treatment for Men

Improving primary care treatment for depression might help narrow the "gender gap" that leaves a greater proportion of depressed men untreated, according to a study from the Rand Corp. The researchers assigned 46 primary care practices nationwide to either usual care for depression or to improvement programs that educated providers and patients about depression treatment. Among the practices that participated in an improvement program, the rates of depression treatment increased for both sexes, but some treatment approaches increased care for men more than for women. "The findings suggest that quality improvement programs may help reduce the treatment disparity seen among the estimated 6 million depressed men in the United States," the researchers reported.

### Teens Delaying Sexual Activity

Sexual activity among younger teenagers declined significantly between 1995 and 2002, while use of contraception increased, according to a study by the Centers for Disease Control and Prevention. Among never-married girls aged 15-17 years, 30% of those surveyed in 2002 had ever had intercourse, compared with 38% in 1995. Among boys the same age, the percentage dropped from 43% in 1995 to 31% in 2002. The numbers were more mixed among adolescents aged 18-19; the percentage of boys in that group who had ever had sex dropped from 75% to 64%, but the percentage among the girls actually went from 68% to 69%. More than three-quarters used contraception when they began having intercourse. "More teenagers are avoiding or postponing sexual activity, which can lead to sexually transmitted diseases, unwanted pregnancy, or emotional and societal responsibilities for which they are not prepared," the Health and Human Services Department reported in a statement.

### Doctors Bilked in Insurance Scam

The U.S. Department of Justice has frozen over \$500 million in bank and investment accounts that department officials say represent booty from a fraudulent tax avoidance scheme. The department issued a temporary restraining order against xélan Inc. and related entities. Federal officials alleged that the company, based in San Diego, advised thousands of doctors and other medical professionals to place their income in various tax schemes involving supposed "supplemental insurance products" or improper charitable deductions. The Internal Revenue Service estimates that the 4,000 doctors who participated may owe as much as \$420 million in taxes, interest, and penalties. A temporary receiver has been named to guard assets and handle claims; doctors who want to file a claim or get information on the case should contact the receiver, William "Biff"

Leonard, at biffer@sprynet.com or by calling 702-262-9322.

### Group Pays \$1.9 Million Settlement

Temple University Physicians has agreed to pay almost \$1.9 million to settle civil charges arising from an investigation into the group's Medicare Part B billing practices. The Department of Health and Human Services audited Medicare Part B claims submitted by the group between July 1995 and July 1996 and concluded that the group lacked sufficient documentation to support some claims, and that some of the claims represented a greater level of service than was actually provided. "Through this settlement we are protecting the integrity of the Medicare system on which our senior citizens depend for their critical health care coverage," Patrick Meehan, U.S. Attorney for the Eastern District of Pennsylvania, said in a statement on behalf of HHS. Temple University Physicians denies both the government's allegations and any liability relating to them.

### Health Care Spending by Elderly

U.S. seniors spent an average of \$11,089 on personal health care goods and services in 1999, but nearly half of that amount was reimbursed by Medicare and another 15% was paid for by Medicaid, according to a report prepared by the Centers for Medicare and Medicaid Services' Office of the Actuary. The amount spent by seniors was almost four times the average of \$2,793 for people under age 65 years. "What this report shows is the importance of our efforts to bring down the high cost of health care for America's seniors," CMS Administrator Mark B. McClellan, M.D., said in a statement. Although people aged 65 and over made up only 13% of the population in 1999, they accounted for 36% of personal health care spending, according to the report. On the other hand, children made up 29% of the population but accounted only for 12% of personal health care spending.

### Medicaid Overcharged for Drugs

The Medicaid program is being overcharged for prescription drugs, George M. Reeb, assistant inspector general for the Centers for Medicare and Medicaid Audits at the Department of Health and Human Services, said in recent testimony to a House Energy and Commerce subcommittee. Part of the problem is that states vary greatly in the reimbursement amounts they set for prescription drugs. For example, "based on state data, we estimated that, overall, Medicaid could have saved as much as \$86.7 million in fiscal year 2001 if all 42 states had reimbursed at the same price as the lowest paying state for each of the drugs reviewed," Mr. Reeb said in his testimony. He recommended that states get better access to accurate wholesale pricing information and adopt other strategies to contain costs.

—Joyce Frieden