Drug Coverage May Cut Other Medical Costs

BY MARY ELLEN SCHNEIDER

For Medicare beneficiaries who had little or no drug coverage before the implementation of Medicare Part D, improved access to prescription drugs has increased drug spending but lowered spending on other medical services, according to an analysis of Medicare Advantage claims.

The decrease in nondrug medical spending is likely due to improved adherence to medications among beneficiaries with chronic health conditions, researchers wrote (N. Engl. J. Med. 2009;361:52-61).

But it's unclear from these findings whether better drug coverage for seniors will yield savings overall for the Medicare system. While the researchers identified savings in medical care among certain beneficiaries, they found that spending on medical care increased for those Medicare beneficiaries who had more comprehensive drug coverage before the implementation of Part D.

The decrease in nondrug medical spending is probably due to improved adherence to medications among beneficiaries with chronic health conditions.

Additionally, the study evaluates only beneficiaries who were enrolled in Medicare Advantage, which integrates coverage for prescription drugs, and physician and hospital care. The study does not examine whether drug coverage through a stand-alone Medicare Part D plan would impact the use of other medical services.

Researchers from the University of Pittsburgh, Highmark health insurer in Pittsburgh, and Harvard University in Boston, conducted a time-series analysis of data from more than 35,000 elderly Medicare beneficiaries who were continuously enrolled in a Medicare Advantage plan offered by a large insurer in Pennsylvania. The researchers, led by Yuting Zhang, Ph.D., measured expenditures for prescription drugs and nondrug medical care for 2 years before and after the implementation of Medicare Part D in January 2006.

The researchers compared Medicare beneficiaries who had drug coverage with no caps on spending before the implementation of Medicare Part D to three groups of beneficiaries who had no or limited prescription drug coverage before the Part D program went into effect. Those beneficiaries with limited coverage had drug benefits with either a $150 or $350 quarterly cap on plan payments.

Spending on prescription drugs increased in all groups after the implementation of Medicare Part D, compared with beneficiaries with no caps on their coverage, the researchers found. For example, 2 years before the implementation of Medicare Part D, expenditures for beneficiaries with no caps on their drug coverage were on average $166 per month, compared with only $46 a month for the group that previously had no drug coverage.

But 2 years after the implementation of the Part D program, expenditures for the group that was previously without drug coverage were rising faster than those with no caps on their coverage. Between December 2005 and December 2007, the average monthly drug spending increased by $41 in the group without previous coverage, compared with the group with no cap coverage.

Similarly, after the implementation of Part D, average monthly drug spending increased by $27 among beneficiaries who previously had a $150 quarterly drug coverage cap, compared with expenditures in the no-cap group. And the average monthly spending increased $13 among beneficiaries who previously had a $350 quarterly drug coverage cap.

There were also increases in the number of oral medications filled by beneficiaries with hyperlipidemia and diabetes. During the 2 years after implementation of Medicare Part D, the number of monthly prescriptions

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Even a *used* LIDODERM patch contains a large amount of lidocaine (at least 665 mg). The potential exists for a small child or a pet to suffer serious adverse effects from chewing or ingesting a new or used LIDODERM patch, although the risk with this formulation has not been evaluated. It is important to **store and dispose of LIDODERM out of the reach of children, pets, and others.**

Excessive dosing, such as applying LIDODERM to larger areas or for longer than the recommended wearing time, could result in increased absorption of lidocaine and high blood concentrations leading to serious adverse effects.

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Patients with severe hepatic disease are at greater risk of developing toxic blood concentrations of lidocaine, because of their inability to metabolize lidocaine normally. LIDODERM should be used with caution in patients receiving Class I antiarrhythmic drugs (such as tocainide and mexiletine) since the toxic effects are additive and potentially synergistic. LIDODERM should also be used with caution in pregnant (including labor and delivery) or nursing mothers.

Allergic reactions, although rare, can occur.

During or immediately after LIDODERM treatment, the skin at the site of application may develop blisters, bruising, burning sensation, depigmentation, dermatitis, discoloration, edema, erythema, exfoliation, irritation, papules, petechia, pruritus, vesicles, or may be the locus of abnormal sensation. These reactions are generally

for lipid-lowering drugs increased 0.21 among beneficiaries with hyperlipidemia who were previously without coverage, compared with those with no-cap coverage. This is a 44% increase from the December 2005 level.

Similarly, the number of monthly prescriptions for diabetes drugs increased 0.27 among those in the no-coverage group, compared with those with no cap coverage. This is also a 44% increase from December 2005.

When the researchers evaluated the impact of Part D coverage on other medical care expenses, they found that nondrug costs dropped for those who previously had the greatest limits on their drug coverage.

For example, 2 years before the start of the Medicare Part D program, the average monthly medical spending was $380 for beneficiaries in both the no cap drug coverage group and those with no previous drug coverage. Spending was also increasing an average of about $4.98 per month for both groups.

However, after the implementation of Medicare Part D, the average monthly increase in spending dropped to $3.60 in the group with no previous drug coverage. By December 2007, 2 years after the start of Medicare Part D, cumulative medical spending in the no-coverage group had dropped by $33, compared with the group with no caps on coverage. A similar trend was seen in beneficiaries who previously had a $150 quarterly cap on their drug coverage.

However, for those beneficiaries who previously had a $350 quarterly cap on their drug coverage, there was an increase in medical spending after the start of the Part D program. In that group, cumulative medical spending increased by $30, compared with the no-cap group.

The researchers wrote that part of the reason for this medical spending increase could be an overuse of certain drugs. An overuse of drugs can lead to increased adverse drug events and greater use of health services.

The research was supported by grants from the National Institutes of Health. One researcher reported serving on the Board of Health Advisors for the Congressional Budget Office as well as being a director of and having equity in Aetna, which sells Medicare Advantage and Part D products. ■

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Immediately discard used patches or remaining unused portions of cut patches in household trash in a manner that prevents accidental application or ingestion by children, pets, or others.

Before prescribing LIDODERM, please refer to the accompanying brief summary of full Prescribing Information.

References: 1. Cluff RS, Rowbotham MC. Pain caused by herpes zoster infection. *Neurol Clin.* 1998;16(4):813-832. **2.** Dworkin RH, O'Connor AB, Backonja M, et al. Pharmacologic management of neuropathic pain: evidence-based recommendations. *Pain.* 2007;132(3):237-251. **3.** Dubinsky RM, Kabbani H, El-Chami Z, Boutwell C, Ali H. Practice parameter: treatment of postherpetic neuralgia. An evidence-based report of the Quality Standards Subcommittee of the American Academy of Neurology. *Neurology.* 2004;63(6):959-965. **4.** Lidoderm Prescribing Information. Chadds Ford, PA: Endo Pharmaceuticals Inc; 2008.

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