

In Focus

Who is Getting Between the Doctor and the Patient?

They Said It

Ann Runfola, a 63-year-old secretary from Buffalo, told the Wall Street Journal that she could not afford her Nexium without AstraZeneca's help because her drug plan's co-pay was just too much: "These people are godsend".

The phenomenon of drug companies offering co-pay subsidies has significantly increased. Over 48 drugs are now sold this way. The reason why is simple to understand. A 2007 study published in the Journal of the American Medical Association showed that every 10% increase in drug plan co-pays reduced drug spending by 6%. A true believer in the power of co-pays is Abbott Laboratories CEO Miles White. Last April Mr. White told securities analysts that "the patient, I will tell you, is economically very, very sensitive to co-pays, and a \$5, \$10 \$20, \$25 co-pay matters". It matters so much to Mr. White that he rolled out his own co-pay subsidy for Abbott's arthritis drug, Humira, which can cost up to \$19,000 per year. Mr. White's goal is for Humira users not to have to pay more than \$60 a year.

Not to be outdone is Britain's AstraZeneca, drug maker/marketer of Nexium. The purple pill is now subsidized by; you guessed it, the Purple Plus™ Savings Card! If their drug plan's co-pay is more than \$25, Nexium users may receive up to \$50 in savings on each refill, up to 12 refills. For those without a drug plan, AstraZeneca will cover the first \$50 of the cost for each refill for Nexium (up to 12 refills).

And then there was the Sunday (Cleveland) Plain Dealer ad. You know, the half-page 48-point ad in a shade of blue not found in nature telling Lipitor users that they can save up to \$180 per year by using the Lipitor Co-Pay Card. The ad makes it pretty clear that Pfizer's target is employee cost sharing, the strategy element that underpins employer-sponsored medical and drug plans. That's evident from how Pfizer coordinates its subsidy with typical drug plan co-pays: If a plan's co-pay is less than \$35, the Lipitor Card will save users the lesser of \$10 or the actual co-pay. If the plan's co-pay is \$35 or greater, the Card will save users \$15 up to 12 times a year.

How should we react to these drug company subsidies? Should we feel good, because drug makers are making it easier for people to buy drugs in these tough times? Should we feel rage, because Big Pharma is stimulating demand for drugs by blunting the impact of employee cost sharing? "It is cost shifting," according to Sean Karbowicz, clinical pharmacy manager for Regence BlueCross BlueShield. "The dollars aren't coming out of the members' pockets; they're coming out of the plan. That results in raised premiums for everyone to pay."

It is easy to loathe Big Pharma. After all, these are the guys who use huge amounts of money to spin clinical trial results, to sway doctors' prescribing orders and to get their drugs included on PBMs' formulary lists. Perhaps worst of all, the cumulative effect of their direct-to-consumer advertizing has gone well beyond creating demand for specific drugs. It has created a collective mind set that taking a pill (or three) is the answer to whatever ails us, not changing our behavior. We want and need the "miracle" part of their drugs, but recoil from the unholy methods drug companies use to sell their products.

So, should benefits managers fight back against Big Pharma's co-pay subsidies? Should you raise drug plan co-pays so that your employees continue to pay your intended level of the cost of their drugs? Drug plans include co-pays for two reasons: to defray some of the cost and to compel employees to have at least a little skin in the game. Hopefully, these measures lead to decision making on the employee's part and not just reactions to powerful advertizing. By driving up demand, Pfizer and its brethren's co-pay subsidies are undermining the impact of both of the reasons drug plan co-pays exist in the first place.

In Focus has always encouraged benefits managers to be assertive if not outright aggressive managers of their benefit plans. That may lead some to think that that our prescription for dealing with Big Pharma's co-pay subsidies is to go tit-for-tat and encourage the raising of co-pays. But, before assertive plan management; and especially before aggressive management, there must be intelligent plan management. So, let's ask ourselves how smart it would be to raise co-pays in righteous retaliation to Big Pharma when so many of our people are struggling financially? How do you build an effective communication campaign around that one?


Nevertheless, it is as though Big Pharma is attacking our village. We don't have the option to avoid it. We only have the option to fight back or not. Either way, it is likely there will be casualties.

To fight back, we must shed our reluctance to "get in between patient and doctor". We must tell our plan members that there are low cost alternatives to drugs like Nexium and Lipitor that work just as well for just about everybody. We should tell them what we know is true: Big Pharma is trying to seduce them into asking their doctors to prescribe drugs they don't need. We must tell them that Big Pharma is not their friend and not even their doctor's friend. Only the truth is their friend and Big Pharma doesn't have a good track record when it comes to telling the truth.

And we must do more. Consistent with our messaging to plan members - we should install stringent step therapy or prior authorization procedures in our drug plans to reduce the unnecessary use of heavily promoted drugs like Nexium and Lipitor.

Maybe we won't win many friends, but we will better influence and hence serve our people. That's what leaders do.

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