AMA Delegates Vote to Support Drug Importation

BY JENNIFER SILVERMAN
Associate Editor, Practice Trends

ATLANTA — Delegates to the American Medical Association’s 2004 interim meet- ing resolved 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 possible price, 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 resolved that company policy that 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’ve certainly grappled with the AMA emphasized the need for safety” in its new policy, Jeff Trewitt, spokesman for the Pharmaceutical Research and Manufacturers Association, told this newspaper.

“physicians who are no longer members,” Mr. Gupta said.

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 Neu- rology, asked that the AMA look further into the cost discrepancy between Cana- da and other countries. Recently, “I was surprised to find that large insurance com- panies were reimbursing patients for med- icines that I pay in our chain stores,” Dr. Garland said. “We shouldn’t need to reim- port 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 pharmacies and grocery chain stores.

Language to study mechanisms to help

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

In other actions, delegates voted to:

▶ Seek the replacement of the Medicare payment formula’s sustainable growth rate and payment system that 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 compre- hensive sex education programs that stress the importance of abstinence in prevent- ing unwanted pregnancies and sexually transmitted diseases, and that also teach about contraception and safer sex.

▶ Create model state legislation for physi- cians who testify in medical liability cas- es, emphasizing that they must meet statu- tory expert witness requirements, such as comparable educa- tion, training, and oc- cupational experience in the same field as the defendant.

▶ Junk science has no place in the court- room,” said Donald Palmisano, M.D., AMA’s immediate past president.

The stance on prescription drug im- portation provided the House of Dele- gates the opportunity to flex its political muscle at a time when the AMA is strug- gling with its identity and appeal to younger physicians.

Delegates heard the evidence for them- selves in video clips of young participants in focus groups, and in new survey data, where only 11% of 400 physicians identi- fied 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 open- ing 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 con- sulting 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 fat in the wallet behind specialty, state, and county societies,” Mr. Gupta noted.

The percentage of nonrenewals in AMA membership has doubled from 10% to 20% over the last decade, with young, ac- tive physicians accounting for more than 30% of the decline. “That amounts to 430,000 physi- cians who are no longer members,” Mr. Gupta said.

The AMA says imported drugs must be approved by the FDA and subject to a closed distribution chain and reliable “track and trace” technology.

Prescription Drug Importation by Wholesalers and Pharmacies

The U.S. Department of Justice has filed charges against xélan Inc. and the department issued a temporary re- straining order against xélan Inc. and its affiliated companies 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 ser- vices in 1999, but nearly half of that amount was not prepared to pay for Med-icaid, according to a report prepared by the Centers for Medicare and Medicaid Services’ Office of the Actuary. The average 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, it ac- counted 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.

Doctors Bilked in Insurance Scam

The U.S. Department of Justice has frozen over $500 million in bank and in- vestment accounts that department of- ficials say represent booty from a fraudulent tax avoidance scheme. The department issued a temporary re- straining order against aflac Inc. and related entities. Federal officials alleged that the company, based in San Diego, advised thousands of doctors and oth- er medical professionals to place their income in various tax schemes invol- ving supposed “supplemental insurance products” or improper charitable de- ductions. The Internal Revenue Ser- vice 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 against the doctors who want to reach 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 from an investiga- tion into the group’s Medicare Part B billing practices. The Department of Health and Human Services audited the group’s Medicare program billing between July 1995 and July 1996 and concluded that the group lacked sufficient documentation to sup- port 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 de- pend for their critical health care cov- erage,” Patrick Meehan, U.S. Attorney for the Eastern District of Pennsylva- nia, said in a statement on behalf of HHS. Temple University Physicians de- nies both the government’s allegations and any liability relating to them.

Medicaid Overcharged for Drugs

The Medicaid program is being over- charged 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 tes- timony to a House Energy and Com- merce Subcommittee. Part of the prob- lem 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 fis- cal year 2001 if all 42 states had reim- burshed at the same price as the lowest paying state for the same drug as reviewed,” Mr. Reeb said in his testimo- ny. He recommended that states get better access to accurate wholesale pricing information, inform providers what they can expect to pay now until they develop other strategies to contain costs.

—Jayne Frieden

Policy & Practice

Depression Treatment for Men

Improving primary care treatment for depression might help narrow the “gender gap” that leaves a greater pro- portion of depressed men untreated, according to a study from the Rand Corp. The researchers assigned men and women with depression to treatment groups. Among the participants in an improvement program, the rates of depression treat- ment increased for both sexes, but some treatment approaches increased care for men more than for women.

“The findings suggest that quality im- provement 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 be- tween 1995 and 2002, while use of contraception increased, according to a study by the Centers for Disease Control and Prevention. Among nev- er-married girls aged 15-17 years, 30% of those surveyed in 2002 had ever had an intercourse, compared with 38% in 1995. Among boys the same age, the percentage dropped from 43% in 1995 to 41% in 2002. Those who 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, un- wanted pregnancy, or emotional and societal responsibilities for which they are not prepared,” the Health and Hu- man Services Department reported in a statement.

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