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Hospitalists can help alleviate rising drug costs

Four key actions providers can take

By **Madhukar Kasarla, MD, and Kirthi Devireddy, MBBS**

Because of the increasing costs of prescription drugs and medical therapies, many patients are unable to afford the treatment they need that could improve their health or even save their lives. In the United States, drug manufacturers can set their own prices – a policy that has resulted in overall medicine costs being far higher than in other places around the globe. Increasingly, insurers are passing the costs along to patients through higher deductibles, and pharmaceutical companies are making record profits.

Something needs to change in order to achieve the right balance between maintaining pharmaceutical innovation and ensuring patients have proper access to treatments they need. Waiting for legislation, regulation, or the courts is not an effective short-term solution. Instead, hospitalists can take immediate actions to help by alleviating the costs for as many patients possible.

Historical context

Here are a few important factors that played a role in the dramatic price increase of pharmaceuticals.

Entrance of generic drugs: Around 2012 the entrance of generic drugs caused major unexpected competition in the medical industry. During this time, many insurers were promoting the generic drugs and not allowing brand names to be covered when a generic substitute was available.

“Orphan drugs” and manufacturer pricing: In 2014, 33 new brand-name drugs were launched in the United States, and only 8 had a direct price competitor at the time they were introduced. In addition, manufacturers were free to set their prices. Over the past decade, introductory prices for brand name drugs have reached unprecedented levels.

Expiring patents: There are 182 drugs that no longer have patent protection or any associated generics available. This creates opportunities for manufacturers to maintain patent-era pricing or even engage in price gouging.

Lack of robust competition: Several high-priced blockbuster drugs hit the market to treat serious diseases, most of which do not have generic brand substitutes. More than 500 drugs have only one marketed generic. In addition, manufacturer mergers and acquisitions have occurred, which has led to a more concentrated and less competitive market for pricing.

Stricter Food and Drug Administration policies: American consumers have access to the safest and most advanced pharmaceutical system in the world, which requires several trials and testing before the drug can be brought to the market. The downside means higher costs for the brand and manufacturer that they will want to recoup through the price of the drug on the market.

Number of new drugs allowed to enter the market: New drugs that enter the market in the United States do so more quickly than in most

other countries. The \$76 billion in research and development that pharmaceutical companies claim overlooks the ways that U.S. employers and taxpayers pay for at least 44% through tax subsidies and credits. What makes it worse is that research shows most corporate research and development is directed at minimally innovative new drugs.

How to alleviate rising drug costs

The good news is that hospitalists can do something about the high costs of pharmaceuticals.

Understand and offer alternative ways for drug intake: Many patients admitted to a hospital with severe infections are initially started with intravenous medications. Although conversion from intravenous to oral therapy is inappropriate for a patient who is critically ill or has an inability to absorb oral medications, every hospital will have a certain number of patients who are eligible for a switch from intravenous to oral therapy.

The World Health Organization reports that the irrational use of medicines is a major problem worldwide, including antibiotics. Switching from IV to oral enables one to select a cheaper or older antibiotic that is as effective as the IV antibiotic. However, this requires breaking the lingering belief that IV medications' bioavailability is stronger and creates less susceptibility to the illness recurrence. For many medications, essentially the same amount of drug is found in the blood when given intravenously or orally. In addition, research has shown several benefits beyond cost reduction for oral over IV, such as earlier discharge and reduced risk of infections.

Limit unnecessary antibiotic prescriptions and consider antibiotics stewardship programs: The Centers for Disease Control and Prevention reports that one in three (47 million) antibiotic prescriptions are unnecessary. Most of these unnecessary antibiotics are prescribed for respiratory conditions caused by viruses. Although the White House released the National Action Plan for Combating Antibiotic-Resistant Bacteria in 2015, which set a goal of reducing inappropriate outpatient antibiotic use by at least half by 2020, hospitalists can still do more by being extremely cautious with prescribing drugs to patients. Use appropriate consultants whenever necessary to suggest the right drug. For example, consider an infectious disease specialist to suggest the appropriate type and length of time for an antibiotic. In addition, hospital-based programs dedicated to improving antibiotic use, known as antibiotic stewardship programs, have been shown to optimize the treatment of infections and reduce adverse events associated with antibiotic use.

Review labs and vitals carefully and encourage a higher level of patient care beyond the digital tools available: Studies have shown an oversight in an exam (a “miss”) can result in real consequences, including death. Our \$3.4 trillion health care system is responsible for more than a quarter of a million deaths per year because of medical error. Much of that is a result of



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poorly coordinated care, poor communication, patients falling through the cracks, or knowledge not being transferred. “True clinical judgment is more than addressing the avalanche of blood work, imaging, and lab tests; it is about using human skills to understand where the patient is in the trajectory of a life and the disease, what the nature of the patient's family and social circumstances is, and how much they want done,” wrote Abraham Verghese, MD, in the New York Times in 2018 (“How Tech Can Turn Doctors into Clerical Workers”). This also means understanding whether the patient is on any other type of medication and having knowledge of possible consequences for drug interactions. Always look for safe medications or discontinue the use of any unnecessary drugs the patient is currently taking.

Allow pharmacies to automatically substitute less expensive equivalent drugs: When prescribing pharmaceuticals for patients, determine if there are any substitutes that can help alleviate costs while delivering equivalent care.

Hospitalists can make a difference

There are many variables that play a role in rising pharmaceutical costs in the United States. One of the most significant is that there are no strategies in place to control pricing of drugs and the profits made by the pharmaceutical companies.

Although finding new drugs that can cure major life-threatening diseases or illnesses is important, so is ensuring that more patients have access to such drugs at a reasonable cost. While there are several ways that the government can and should help with enabling and supporting this balance, it most likely requires such large changes that it will take a long time. As a result, it is important for hospitalists to find effective short-term solutions that can be implemented right away to alleviate the rising costs of pharmaceuticals.

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cals and provide proper patient care regardless of their economic status – all of which requires better research, analysis, and comparison before prescribing treatment to patients.

FURTHER READING

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