



U.S. Chamber of Commerce
Comparative Effectiveness:
New Solutions to Address Complex Health Issues

A Pharmaceutical Perspective

Washington, D.C.
January 15, 2009

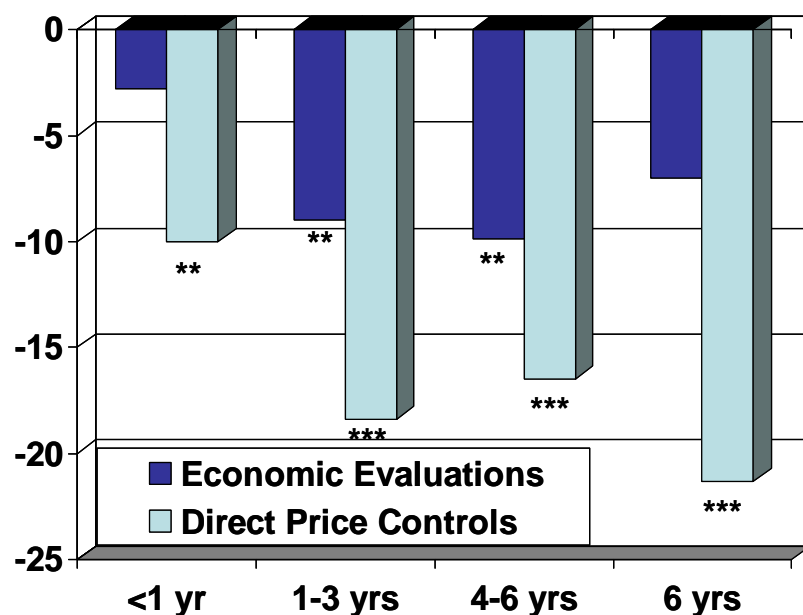
Dr. Larry E. Fields
Senior Director
Head, Medical & Public Health Policy
Worldwide Policy

Demand for Cost-Focused Pharmaceutical Regulation is Rising

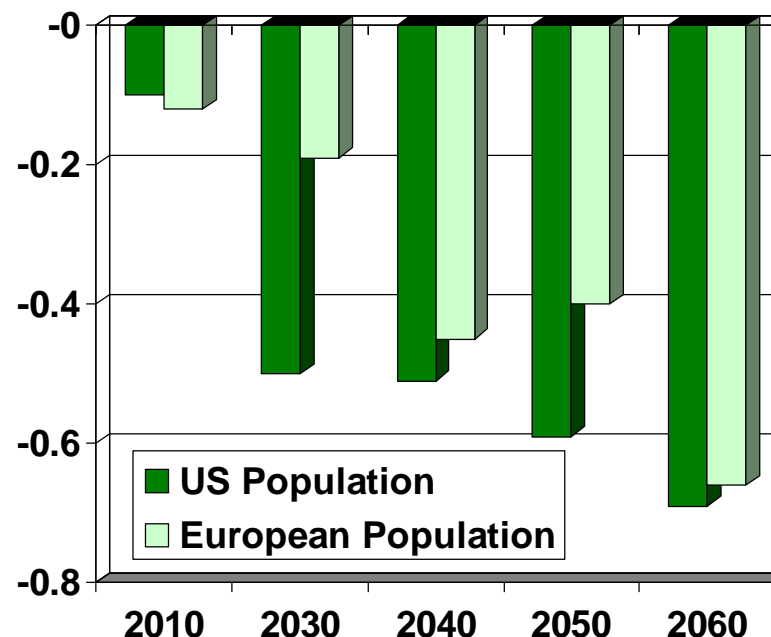
Negatively Impacts Revenues, Innovation and Consumer Outcomes

2009 RAND Studies of 19 OECD Countries

Percent Change in Pharma Revenue Over Time Among OECD Countries, 1992-2004 (** p<0.5; *** p<0.01)



Years Change in Life Expectancy Among Adults Ages 55-59 Attributable to US Price Controls

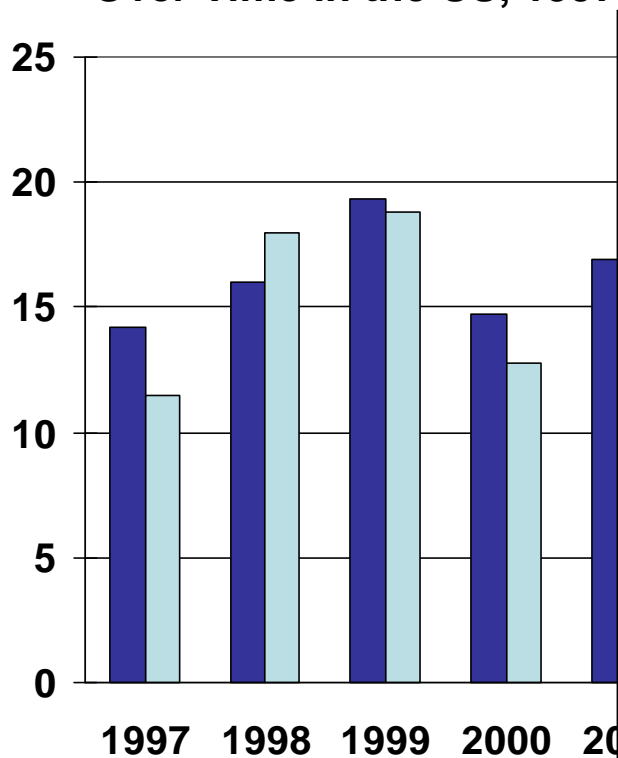


Sood et al (RAND). *Health Affairs* 28, no. 1 (2009): w125–w137; based on results from multivariate regressions using data on pharmaceutical revenues and regulations from nineteen OECD countries for 1992–2004; Lakdawalla et al (RAND). *Health Affairs* 28, no. 1 (2009): w138–w150 (published online 16 December 2008; 10.1377/hlthaff.28.1.w138).; calculations based on the Global Pharmaceutical Policy Model; research supported by Pfizer, National Institute on Aging and Bing Center for Health Economics; the authors are solely responsible for the design, conduct, and analysis of the study and for the conclusions that are drawn; OECD- Organization of Economic Cooperation and Development © Pfizer, Inc.

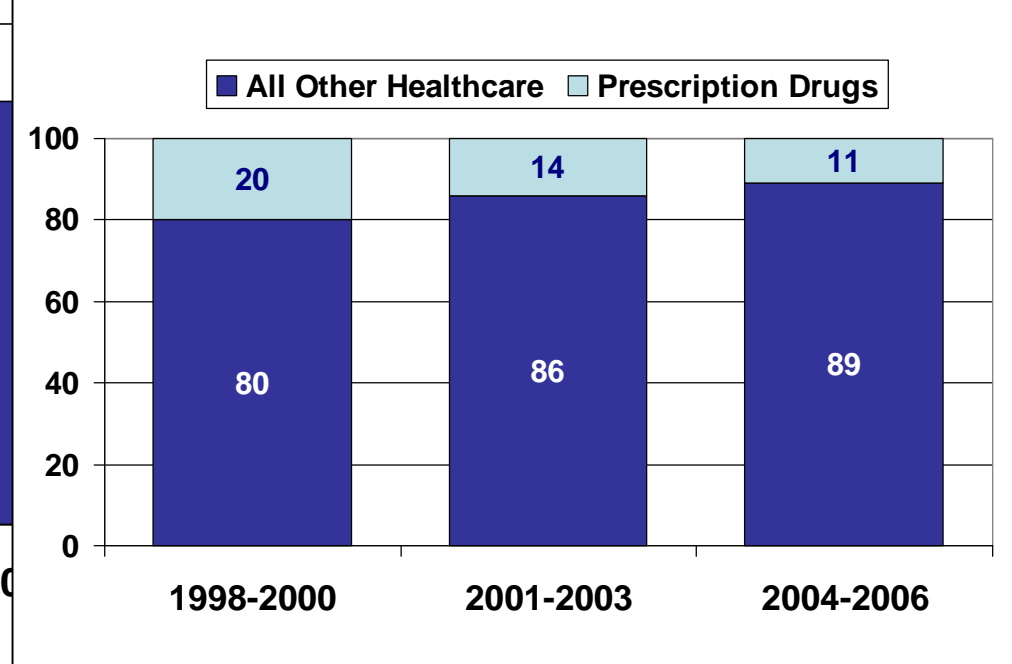
Annual Growth in Rx Drug Spending is Slowest since 1974

Rx Drug Spending is a Small Portion of Total Healthcare Spend

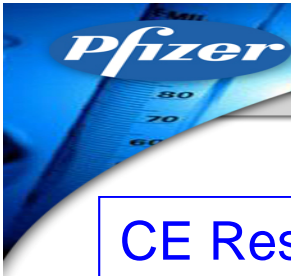
Percent Annual Growth in Rx Drug Spending Over Time in the US, 1997-2007



Percent of Total Healthcare Spending Over Time in the US, 1998-2006



Unadjusted: IMS Health, 2008; Real (adjusted for inflation): Aitken et al. Health Affairs 28, no. 1 (2009): w151-w160 (published online 16 December 2008; 10.1377/hlthaff.28.1.w151; CMS, National Health Expenditures, 2008



Comparative Effectiveness Principles

CE Research

- Defined as: evaluating and comparing the clinical and patient health outcomes of at least two healthcare strategies to address a particular medical condition or patient population
- Investigate the full range of interventions affecting patient health outcomes
- Evaluate the full range of patient outcomes
- Focus on comparative clinical effectiveness instead of cost
- Develop consensus research methodologies and standards
- Use scientific rigor and transparent reporting (CEC data)

Results

- A lack of CE data does not indicate a lack of differentiation among therapies
 - i.e., not a reason to withdraw a therapy from use or to deny reimbursement
- Post data on a website:
 - technical version of results
 - a version that is accessible to and understandable by laypersons

Accountability

- Provide interim reports
- Obtain GAO audits prior to each 5-year reauthorization