

HMS Center for Bioethics  
Annual Bioethics Conference  
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Panel: Social Justice Problems and  
Institutional Response

Pharmacy/Medication Issues

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I have no conflicts of interest to declare.

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# Medication Cost Challenges: Real-World Cases

1. A 69 year old man develops pulmonary emboli in the period following elective hip replacement. He is hospitalized briefly. He requires anticoagulation for a minimum of 3 months, possibly lifetime as this is a recurrent problem. The current recommended first-line treatment is a NOAC (novel oral anticoagulant). He is prescribed apixaban but learns that his co-pay will be \$305 per month.
2. A 48 year old man is found to have metastatic lung cancer (liver and bone involvement). Standard treatment entails a 2-drug regimen that is generally well-tolerated with an expected median survival of 8.2 months at a cost of \$813/month. A newer 3-drug regimen will increase median survival to 12.3 months, but with increased toxicity and at a cost of \$12,215/month with a huge co-pay for the patient.

# Medication Cost Challenges: Real-World Cases (cont.)

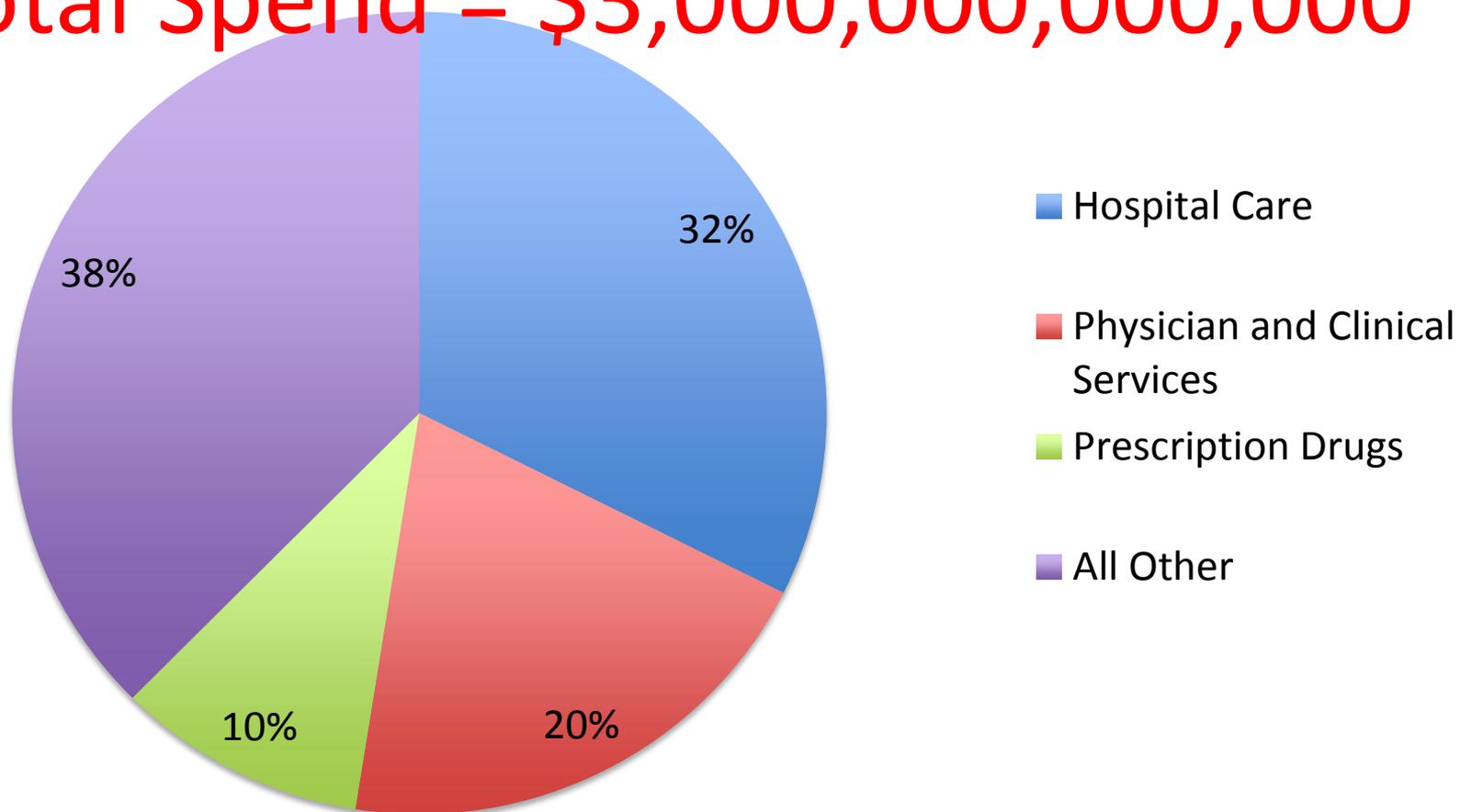
3. A 29 year old woman with history of severe Crohn's disease dating from adolescence experiences a severe flare of her IBD at 15 weeks gestation with RLQ phlegmon and abscess. She fails all usual measures safe to use in pregnancy. She has drainage of the abscess and receives infliximab with remarkable and rapid resolution of her IBS flare. Cost of continuing infliximab is \$1,800/dose every 6-8 weeks.
4. A 52 year old man is admitted with cellulitis and bacteremia, confirmed MRSA. He responds nicely to IV vancomycin and is clinically ready to move to outpatient management. He is without insurance and has no access to home IV care. The cost of oral linezolid to complete treatment is \$2,100

# Medication Cost Challenges: Real-World Cases (cont.)

5. A 63 year old man 12 years s/p liver transplant for cirrhosis from hepatitis C with recurrent hepatitis C in his transplanted liver and progressively worsening liver enzymes. Patient has had trouble adhering to follow up and to his anti-rejection medications in the past, but is now much more engaged and compliant. Treatment for his hepatitis C with one of the newest regimens will cost \$45,000-85,000.

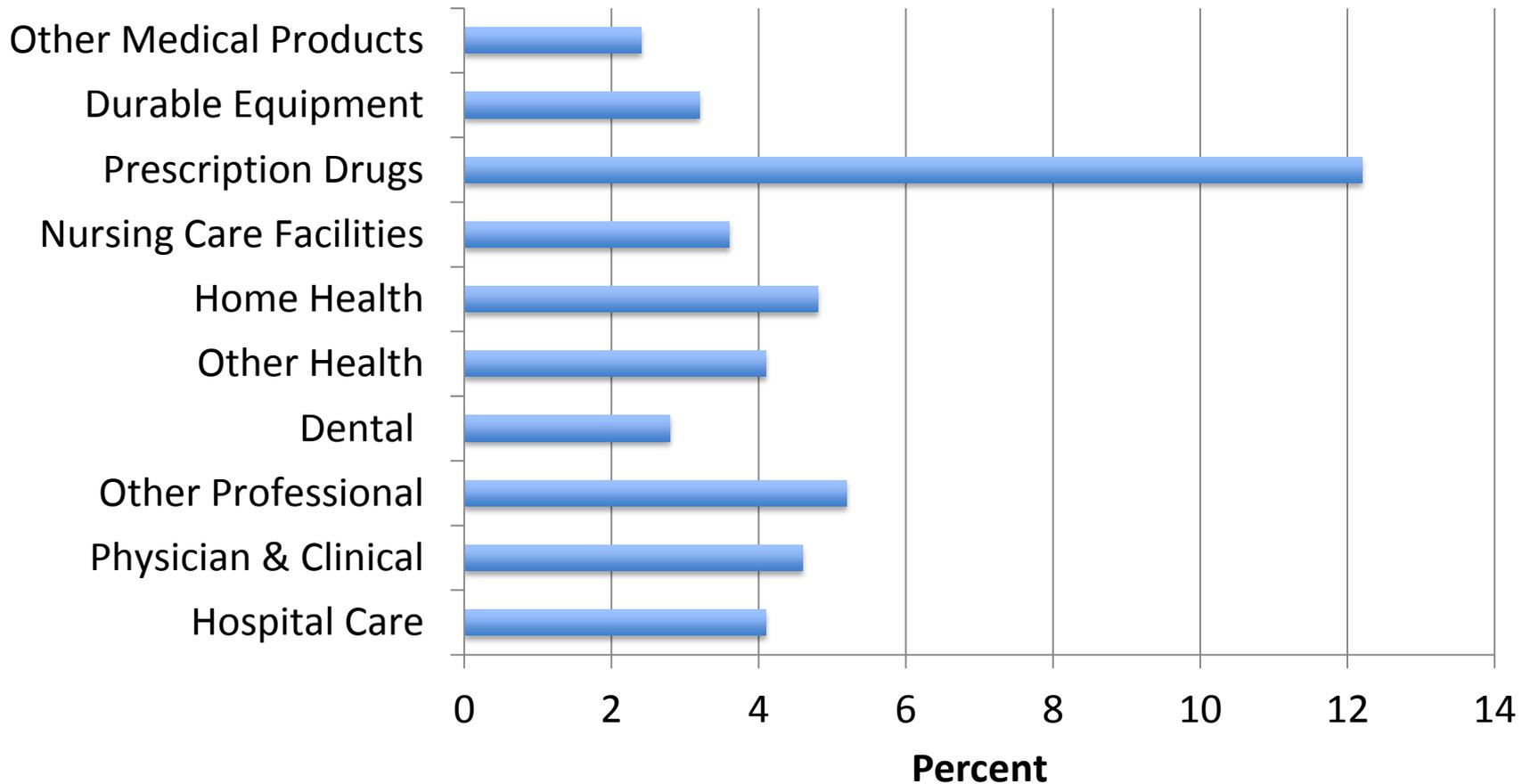
# Total U. S. Health Expenditures: Calendar Year 2014 (CMMS)

Total Spend = \$3,000,000,000,000



Prescription Drug Spend = \$297,700,000,000

# Rate of Growth in Annual Health Expenditures: 2014



SOURCE: CM&MS, Office of the Actuary, National Health Statistics Group

# Drivers of the Rise in Prescription Drug Spending

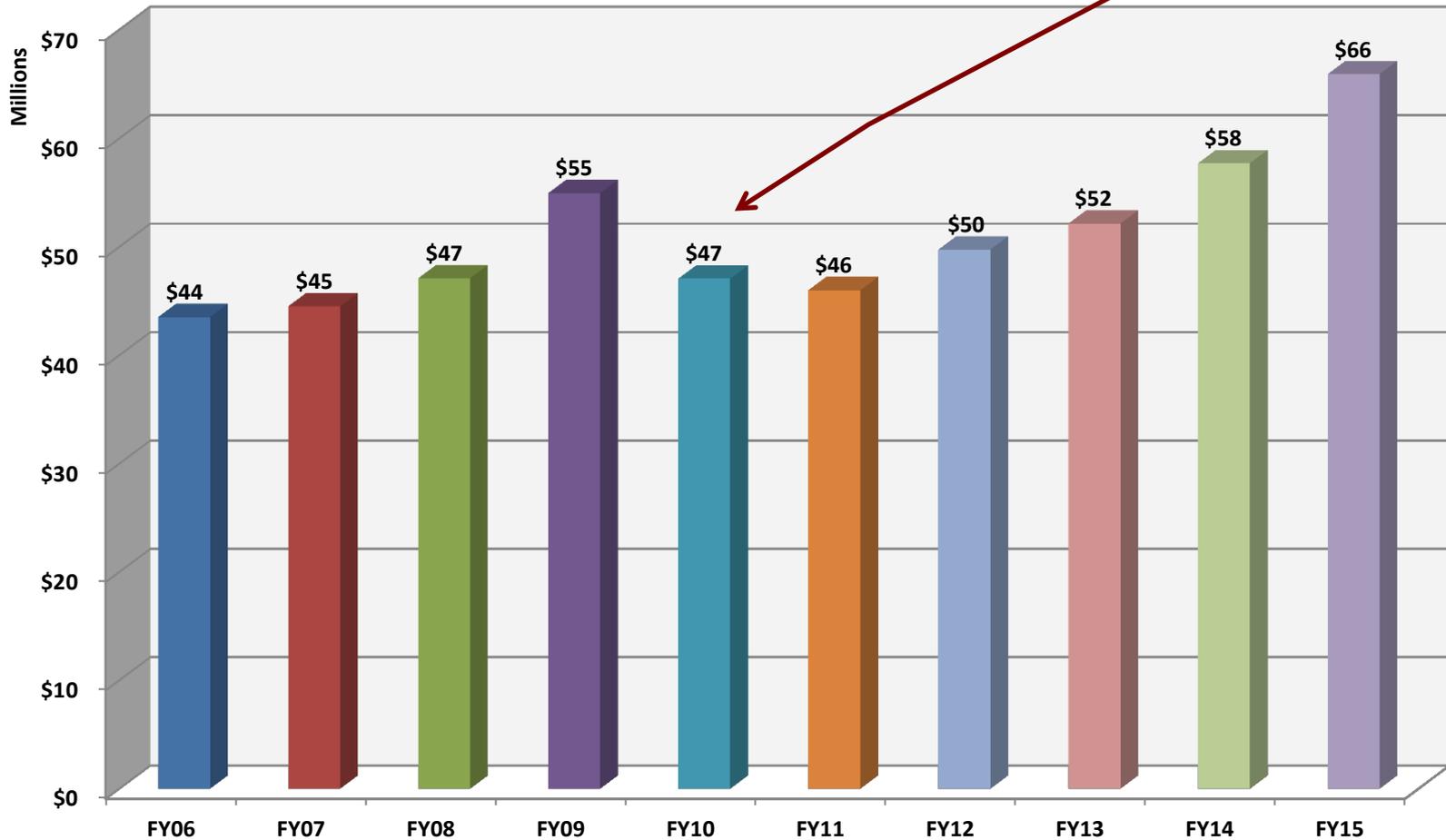
- New medications, especially specialty drugs
  - Hepatitis C treatment regimens
  - Biologics (anti-TNF, anti-ILn, etc.)
  - Others
- Smaller impact from patent expirations and rise in price of brand-name drugs
- Rise in price of generics
- Company takeovers and market consolidation
  - The Shkreli phenomenon
    - Pyrimethamine: \$13.50 → \$750 per tablet

# Hospital Pharmacy

- Accounts for 10-15% of total hospital operating costs
- Pharmaceuticals account for 80% of pharmacy costs...
- Traditionally, cancer treatment medications accounted for the majority of medication costs
- Large shift recently to monoclonal antibodies and other treatments for non-malignant disease

# Annual Growth of BIDMC Pharmaceutical Acquisition Costs

340B pricing for ambulatory drugs in FY10.  
Expansion of 340B purchases into mixed areas  
now brings >\$30 million annual cost savings



# BIDMC

- Abiding commitment to single class of care for all patients
  - No VIP floor, no separate resident clinic
- Rights as a Patient at BIDMC...

“You have the right to care that meets the highest standards of BIDMC, regardless of... source of payment for your care.”

# BIDMC: Examples of Institutional Responses to Medication Challenges

1. The free care formulary and free care pharmacy program
2. The PACT program
3. Aggressive stewardship by Pharmacy

# Challenges in Providing Medications to Patients in Need

- Astronomical and unsustainable rise in overall medication costs
- Patients lacking medication coverage
- More patients with crummy insurance – limited formulary, high deductibles, high co-pays
- Shift in use of many/most newer specialty medications to outpatient settings, where patients bear the cost burden directly through deductibles and co-pays