

Medication costs in Wisconsin Medicaid: Waste not, want not?

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In this issue of the *Wisconsin Medical Journal*, Mergener and Carr present the results of a quasi-experimental trial measuring the impact of an educational intervention on the prescribing behavior of clinicians caring for Medicaid beneficiaries. At the time of the study, the Wisconsin Medicaid program had total expenses for medications approaching \$800 million per year, and the cost of the anti-epileptic medications targeted in this study were nearly 5% of those expenditures. The investigators used a relatively simple intervention consisting of mailing high-volume prescribers information summarizing the evidence surrounding the use of targeted medications, along with a list of their patients who were receiving those products. Using data available through the Medicaid program, the investigators were able to limit their intervention to only those patients who were receiving the targeted medications for “off-label” (non-FDA

approved) indications, where the evidence supporting safety and efficacy was weakest.

In the midst of this intervention, a generic version of one of the targeted medication (gabapentin), resulting in unexpected cost savings, but even when this was taken into account by the investigators, a substantial reduction in use was demonstrated and an estimated savings of over \$2.5 million per year was shown.

However, it can certainly be argued that other explanations for these findings are possible. The study was not randomized and did not include a matched contemporaneous control group.

Furthermore, critics could suggest that while costs decreased, clinical outcomes may also have suffered. As has been shown in other studies evaluating cost-containment in Medicaid programs, it is certainly possible to be “penny wise and pound foolish” with prescription drug spending. If the reduction in anti-epileptic medications shown in this study resulted in an increase in physician office visits, emergency department visits or (worst of all) hospitalizations, the documented savings could easily be overcome by higher costs in other areas of the Medicaid budget.

It is also possible that targeted prescribers responded to this in-

tervention by changing patients from “off-label” medications onto other even higher cost medications that hold FDA approval. A more exhaustive evaluation, considering these possibilities, would certainly increase our confidence in their findings.

Despite these limitations, these investigators must be applauded for their work, done on behalf of all taxpayers. Medicaid, an entitlement program jointly funded by the state and federal governments, is intended to provide health care for the poor. Due to federally imposed limitations, the program is not permitted to pursue cost-containment initiatives commonly used by commercial payers (such as managed care plans). The medical directors and other staff responsible for overseeing the Wisconsin Medicaid program have identified this type of intervention as one that complies with federal requirements, that is supported by a strong evidence-based approach to care that all prescribers advocate, and that ultimately provides cost efficiency.

While medication expenditures in the United States comprise a relatively small component of total health care costs (approximately 11%), spending on prescription drugs is rising at a rate nearly double that of total health

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care inflation, and nearly 3 times higher than the growth of our overall economy (Smith 2006, Hoffman 2006). Medications have become a key target for cost containment by every payer in every sector of health care delivery. When interventions as simple as providing a clinical summary, pointing out the high cost of targeted medications, and asking prescribers to change their behavior can have this dramatic an impact, we are left with the inevitable and unpleasant conclusion that inefficient prescribing must account for a substantial proportion of the growth in medication spending.

Our Medicaid program has a robust data repository summarizing not only medications beneficiaries receive, but also other health care resource consumption. We should support those working on behalf of Wisconsin taxpayers on projects such as this one, and work together to find ways to provide high-quality care to all that need it in as cost-efficient a manner possible.

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