

POSTER ABSTRACTS

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Cost Effectiveness

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The Budget Impact Of Payer Policies For Second-Generation Antihistamines After Over-The-Counter Loratadine

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Background: As a result of the over-the-counter introduction of loratadine, health plans have been struggling to determine the best policy to incorporate this change within their existing drug benefit structure for second-generation antihistamines (SGA). In health plans with very restricted drug benefits for SGA, certain price-sensitive members may substitute with first-generation antihistamines FGA. Currently, the majority (53%) of allergic rhinitis patients are treated with FGA. FGA are associated with an increased risk of unintentional injuries, deaths and reduced productivity. Shifting the cost burden of prescription SGA to consumers may result in downstream costs due to sedation-related adverse outcomes. The objective of this study is to examine the economic impact of payer policies in response to the Rx-to-OTC switch of loratadine.

Methods: Decision analysis was used to model the budgetary impact of four policies of providing prescription and over-the-counter drug benefits for the MCO, employer and Medicaid perspectives separately. Model estimates were drawn from the published literature. Direct medical costs, lost productivity (for employers only) and unintentional injuries associated with the use of FGA were assessed in the model. Medical expenses due to permanent injury or death resulting from unintentional motor vehicle, home or public accidents were included in the analysis, but were limited by the perspective of the payer. In order to examine how the model assumptions impact the results of the analysis, a probabilistic sensitivity analysis was conducted using a second order Monte Carlo simulation.

Results: Providing second-tier prescription and limited over-the-counter benefits would cost approximately .11, .27 and .40 cents PMPM compared to third-tier prescription and no over-the-counter benefits for Medicaid, employers and MCOs, respectively. The sensitivity analysis results support the robustness of the model.

Conclusions: Offering limited OTC and second-tier prescription benefits for SGA is not significantly more expensive PMPM than limiting or discontinuing SGA benefits. Drug savings from discontinuing coverage of SGA may be attenuated by the cost of direct medical expenditures and lost productivity associated with increased use of FGA and resultant unintentional injuries.