



## **Medicare plan boosts statins, ulcer drugs: report**

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CHICAGO (Reuters) - New prescription drug coverage in the federal Medicare insurance plan for the elderly drove a boost in use of pricey brand-name drugs such as statins and ulcer medications, an analysis released on Tuesday said.

Medicare, available to 43 million elderly and disabled Americans, began to pay for prescription drugs in 2006, the biggest shift in its four-decade history. As a result, more than half of the Medicare population now gets drug coverage through a private plan run by companies such as Humana Inc. or UnitedHealth Group.

The so-called Medicare Part D program boosted sales of cholesterol-lowering statins by 7 percent, and ulcer- and heartburn-treating proton pump inhibitors by 5 percent, the report by pharmaceutical industry consultancy IMS Health said.

These first few years of Medicare Part D will be "golden years for enrollees and branded pharmaceutical companies alike," the report said.

Drugmakers strongly backed the 2003 law creating the drug program and are turning out to be, as expected, big financial winners. Private health insurers that largely run the plans were supposed to keep a lid on costs, but spent the first year focusing on enrolling patients, one report author said.

"The first year was about enrollment. To be very blunt, the second year will be about making money," for the plans, Michel Denarie, senior principal at IMS said.

The report forecast "bumps in the road," for both enrollees and drugmakers going forward, as insurers clamp down on brand-drug usage and force more costs onto patients.

About 486 million prescriptions, or 15 percent of all retail prescriptions filled in 2006, came from Part D beneficiaries. These were not all new prescriptions, however, because a sizable amount of people had another form of health insurance the year earlier.

Of the 24 million people in some private Part D plan, 58 percent had some form of private insurance beforehand, although it may have been limited. Another 24 percent of the Part D participants had some coverage under Medicaid, the government health plan for the poor. Part D drove higher demand for proton pump inhibitors, primarily AstraZeneca Plc's Nexium and prescription forms of Prilosec, because seniors found it cheaper than available alternatives over-the-counter.

Medicare patients in most drug categories were more likely to fill prescriptions, possibly due to the hurdles they had to clear to get into the program, further boosting demand, the report said. Some drug classes suffered, including a 9 percent drop in schizophrenia drugs such as Eli Lilly and Co.'s Zyprexa. That may be due to confusion in the way the program switched patients on Medicaid to Medicare, Denarie said.

Indicating that insurers will put pressure on seniors to cut costs going forward, there has been increased use in 2007 of pravastatin, the generic of Bristol-Myers Squibb Co.'s Pravachol, Denarie said.

