

FIRST REPORT[®] MANAGED CARE

CLINICAL, ECONOMIC, AND LEGISLATIVE DEVELOPMENTS AFFECTING THE MANAGED MARKETS

VOL. 7 • NO. 2

FEBRUARY 2010

FIRST NEWS

The use of contraindicated medications was associated with a significantly increased risk of major in-hospital bleeding. **Page 7**

High-flow inhaled oxygen was superior to placebo in the acute treatment of cluster headache in a recent study. **Page 13**

Disclosure of preventable and non-preventable events was associated with higher hospital quality ratings from patients. **Page 24**

Golimumab inhibited progression of radiographic damage to joints in patients with psoriatic arthritis, a recent study finds. **Page 25**

Results of 2 separate phase 2 studies showed that tanezumab reduced pain in patients treated for 3 common conditions. **Page 35**

Bevacizumab is associated with improved survival in patients with stage IV colorectal cancer when added to cytotoxic chemotherapy in recent study results. **Page 45**

© 2010. HMP Communications, LLC.

Also Inside

**HEALTHCARE
REFORM
Page 24**

Health Bills Curbed after Senate Shift

With Legislation Stalled, Reformers Regroup

Confronted with public opposition, a unified minority party, and an election loss that changed the balance of power in the US Senate, healthcare reform efforts have entered a new phase featuring talk of bipartisan cooperation and a healthcare summit at the White House. Democrats continue to hold majorities in the House of Representatives and the Senate, but after months of debate and several narrowly won votes, their voluminous healthcare bills may no longer be viable. The opposition is calling for reformers to toss out the current House and Senate bills and start with a clean slate, but majority leaders say they will work to enact the most widely supported aspects of existing proposals.

This winter, the reform debate has revolved around the Senate healthcare bill, titled the Patient Protection and Affordable Care for America Act (S.AMDT.2786 an amendment in the nature of a substitute to HR 3590), and the House bill, titled the Affordable Health Care for America Act (HR 3962). Earlier versions of reform legislation that made headlines in 2009 include S 1796, the America's Healthy Future Act of 2009, and HR 3200, the America's Affordable Health Choices Act of 2009.

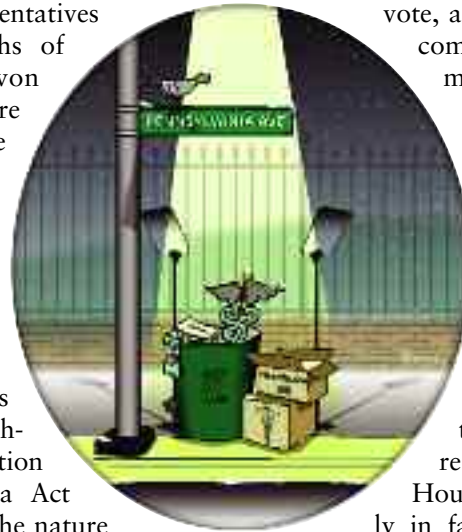
A copy of HR 3962 downloaded from Senate.gov is just over 2000 pages, and the bill narrowly passed the

US House of Representatives by a vote of 220 to 215 on November 8. HR 3590 as amended by the Senate is more than 2400 pages, and the last major action for this vehicle for healthcare reform legislation occurred on December 24 when the bill passed with a vote of 60

in favor and 39 opposed. Since the Christmas Eve vote, a process that appeared to be nearing completion has stalled as the House majority decides whether to pass the Senate bill in its current form or proceed with an amendment process that would necessitate another Senate vote.

Public opinion polls released at the beginning of the year reported varying degrees of opposition to the House and Senate bills. A CNN/Opinion Research poll conducted by telephone from January 8 to 10 found 57% of the 1000+ respondents generally opposed to the House and Senate bills with 47% generally in favor. By January 22, only 38% of respondents polled by the same group were in favor of the bills while 58% were opposed. The same poll, conducted December 2-3, 2009, had 61% opposed to the Senate bill and 36% in favor. At press time, a RealClearPolitics Poll average of 7 major polls reported 38.6% in favor of the Democrats' healthcare plan and 53.1% opposed.

continued on page 8



Healthcare Spending Hit by Slow Economy

CMS Report Depicts Government's Increasing Role

Spending on healthcare in the United States totaled \$2.5 trillion in 2009, a 5.7% increase, and accounted for 17.3% of the nation's gross domestic product (GDP). Although job losses contributed to a reduction in private insurance enrollment, insurers saw better growth in private health insurance premiums than during 2008. Growth in public-sector healthcare spending outpaced increases in private outlays, and the government's share of the national healthcare bill is projected to exceed 50% by 2012, according to projections released by the Centers for Medicare & Medicaid Services (CMS) and published in the journal *Health Affairs* [2010 Feb 4; Epub ahead of print].

Healthcare spending as a share of GDP increased by 1.1% in 2009, the largest 1-year increase in GDP share since the federal government began keeping track in 1960. The report emphasized the influence of the overall economy, stating that the large increase in healthcare spending as a percentage of GDP "reflects the

severity of the recession that began in 2007." The lead author is Christopher J. Truffer, an actuary in the CMS Office of the Actuary, and he was joined by a group of economists and actuaries from CMS. Data were provided by CMS, Office of the Actuary, National Health Statistics Group; and the US Department of Commerce, Bureau of Economic Analysis and US Census Bureau.

Compared with the 5.7% increase in 2009, total healthcare spending increased by 4.4% in 2008 to \$2.34 trillion. Health spending as a share of GDP was 16.2% in 2008 and 15.9% in 2007. CMS predicted that national health expenditures would increase to \$2.57 trillion in 2010, \$3.23 trillion in 2014, and \$4.48 trillion in 2019.

Public healthcare payers spent more than \$1.2 trillion in 2009, an 8.7% growth rate, after an increase of 6.5% in 2008. In comparison, private payers spent \$1.3 trillion, a 3.0% increase. Private health spending

continued on page 14