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## Baldwin pushes bill on drug cost savings

Could Save Taxpayers  
Hundreds of Millions of Dollars

Wisconsin Congresswoman Tammy Baldwin introduced a bill in Congress last Friday that could save taxpayers hundreds of millions of dollars in Medicare payments and dramatically increase the ease with which Medicare patients can take needed medication.

The Medicare Drug Cost Savings Act of 2001 would save Medicare millions of dollars by providing coverage of self-administered drugs that, when used in place of physician-administered drugs already covered by Medicare, result in overall cost savings to the program.

A congressional report released last year revealed that a change in the policy regarding just one drug for kidney dialysis patients would save Medicare \$122 million annually.

"Government waste is inexcusable in any case," said Baldwin, "but we're particularly mindful these days of the high cost of prescription drugs and the need to find every way possible to reduce costs

and save patients and the government money. We also need to provide an incentive for drug companies to develop and market less expensive medications."

Current federal policy requires Medicare to treat drugs with the same therapeutic benefits in fundamentally different ways. For drugs injected into a patient by a physician, Medicare is allowed to pay most of the cost of the drug.

But if the drug is taken orally or injected by a patient (rather than by the physician), Medicare is prohibited from paying for the drug, even if the oral or self-injected version of the drug is equally safe, effective and less expensive.

"We have identified a problem," said Baldwin. "We have identified a solution. Now we just need to act."

By providing coverage for cheaper, self-administered drugs, the Medicare Drug Cost Savings Act would:

- Save Medicare millions of dollars each year. As a result of Medicare's inability to pay for self-

administered oral or self-injected drugs, the federal government wastes millions of dollars each year on injected drugs that require physician administration.

In essence, Medicare pays for both the drug and for the physician visit. Last year, the minority staff of the House Committee on Government Reform estimated the cost savings of this bill in regards

to just one drug, used for kidney dialysis patients to be at least \$122 million per year.

- Save patients' costs for co-payments. Medicare pays only a portion of the costs of many injectable drugs, requiring the patients to cover the remaining co-payment. Under this bill, patients will also see a cost savings.

- Encourage pharmaceutical companies to develop self-administered alternatives. The current federal policy reduces the incentive for pharmaceutical companies to conduct research on self-administered drugs due to the limited market. A change in this policy would create a

market for self-administered drugs and encourage pharmaceutical companies to become more innovative in this area of drug research.

- Provide increased access to treatment in rural areas. By providing a self-administered alternative, patients would be able to receive treatment at home rather than by traveling to a health facility.