

New fee coming for medical effectiveness research

December 28 2011, By RICARDO ALONSO-ZALDIVAR , Associated Press

Starting in 2012, the government will charge a new fee to your health insurance plan for research to find out which drugs, medical procedures, tests and treatments work best. But what will Americans do with the answers?

The goal of the research, part of a little-known provision of President Barack Obama's [health care law](#), is to answer such basic questions as whether that new prescription drug advertised on TV really works better than an old generic costing much less.

But in the politically charged environment surrounding health care, the idea of medical effectiveness research is eyed with suspicion. The insurance fee could be branded a tax and drawn into the vortex of election-year politics.

The Patient-Centered Outcomes Research Institute - a quasi-governmental agency created by Congress to carry out the research - has yet to commission a single head-to-head comparison, although its director is anxious to begin.

The government is already providing the institute with some funding: The \$1-per-person insurance fee goes into effect in 2012. But the Treasury Department says it's not likely to be collected for another year, though insurers would still owe the money. The fee doubles to \$2 per covered person in its second year and thereafter rises with inflation. The

IRS is expected to issue guidance to insurers within the next six months.

"The more concerning thing is not the institute itself, but how the findings will be used in other areas," said Kathryn Nix, a policy analyst for the conservative Heritage Foundation think tank. "Will they be used to make coverage determinations?"

The institute's director, Dr. Joe Selby, said patients and doctors will make the decisions, not his organization.

"We are not a policy-making body; our role is to make the evidence available," said Selby, a primary care physician and medical researcher,

But insurance industry representatives say they expect to use the research and work with employers to fine-tune workplace health plans.

Employees and family members could be steered to hospitals and doctors who follow the most effective treatment methods. Patients going elsewhere could face higher copayments, similar to added charges they now pay for "non-preferred" drugs on their insurance plans.

Major insurers already are carrying out their own effectiveness research, but it lacks the credibility of government-sponsored studies.

Not long ago, so-called "comparative effectiveness" research enjoyed support from lawmakers in both parties. After all, much of the medical research that doctors and consumers rely on now is financed by drug companies and medical device manufacturers, who have a built-in interest in the findings. And a drug maker only has to show that a new medicine is more effective than a sugar pill - not a competing medication - to win government approval for marketing.

The 2009 economic stimulus bill included \$1.1 billion for medical effectiveness research, mainly through the National Institutes of Health.

It was not considered particularly controversial. But things changed during the congressional [health care](#) debate, after former GOP vice presidential candidate Sarah Palin made the claim, now widely debunked, that Obama and the Democrats were setting up "death panels" to ration care.

As a result, lawmakers hedged the new institute with caveats. It was set up as an independent nonprofit organization, with a .org Internet address instead of .gov. The government cannot dictate Selby's research agenda. And there are limitations on how the Health and Human Services department can use the research findings in decisions that affect Medicare and Medicaid.

Selby says the institute is taking seriously the term "patient-centered" in its name. Patients will not be merely subjects of research; they and their representatives will be involved in setting the agenda and overseeing the process.

"We are talking about patients as partners in the research," said Selby. Findings will be presented in clear language - a kind of Consumer Reports approach - so that patients and doctors can easily draw on them to make decisions.

"Our goal, our hope, is that over time, by involving patients in research, two things will happen," said Selby. "One is that we will start asking questions in a more practical fashion, so the results would speak more consistently to questions that patients want to know the answers to. And two is that, by our example of involving patients in the research, trust will rise." He expects to unveil the institute's proposed research agenda in the next few weeks.

Former Medicare administrator Gail Wilensky says that agenda should focus on high-cost procedures and drugs on which the medical

community has not developed a consensus, and which have widely different patterns of use around the country. A Republican, Wilensky believes opposition to the institute's work is shortsighted.

"This just strikes me as a component of finding ways to treat better and spend smarter," she said.

More information: Patient-Centered Outcomes Research Institute:
www.pcori.org

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Citation: New fee coming for medical effectiveness research (2011, December 28) retrieved 5 May 2024 from <https://medicalxpress.com/news/2011-12-fee-medical-effectiveness.html>

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