U.S. Department of Health and Human Services
Centers for Medicare & Medicaid Services
Office of Research, Development, and Information
7500 Security Boulevard
Baltimore, Maryland 21244-1850

2006 Edition

Active Projects Report

Research and Demonstrations in Health Care Financing

Theme 7

Prescription Drugs

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

This page intentionally left blank.

Theme 7: Prescription Drugs

Summary: CMS is conducting various evaluation studies to implement and evaluate the new drug card and drug benefits. Our planned areas of research include best practices in the successful enrollment of low-income beneficiaries, the drug card program, prescription drug coverage estimates, and per capita spending for covered Part D drugs. We are also implementing a demonstration project, mandated by section 641 of the Medicare Modernization Act, that will pay for certain drugs or biologicals prescribed as replacements for drugs or biologicals that are now covered by Medicare.

Cost Effectiveness Model of Disease Modifying Therapies for the Treatment of Multiple Sclerosis (MS), A

Project No: CMS-IA-05-28A-1
Project Officer: Penny Mohr
Period: October 2004 to June 2005
Funding: $95,693
Principal Investigator: Chris McCabe, Ph.D.
Award: Intra-agency Agreement
Awardee: Sheffield University School of Health and Related Research
Regent Court 30, Regent Street
Sheffield, UK S1 4DA

Description: This purpose of this task order is to examine the incremental cost-effectiveness of self-administered medications (Copaxone, Betaseron, Rebif) relative to Avonex for the treatment of Multiple Sclerosis (MS) among Medicare beneficiaries. The self-administered medications listed are covered under a Medicare demonstration program mandated by Section 641 of the Medicare Prescription Drug Improvement and Modernization Act (MMA). Avonex is currently covered under Medicare Part B. An analysis of the cost-effectiveness of the demonstration project that extends coverage to these therapies is required under the MMA.

Status: Sheffield University is modifying an economic model comparing the cost-effectiveness of selected biologics for treating MS in the United Kingdom to reflect patterns of disease and cost among Medicare beneficiaries. A request to extract data from the Sonya Slifka Longitudinal Database on MS is pending. A review of the clinical literature to obtain information on the relative efficacy of these drugs has been completed. ■

Cost-Effectiveness of Daily versus Conventional Hemodialysis for the Medicare Population, The

Project No: ORDI-05-0009
Project Officer: Penny Mohr
Period: December 2003 to December 2008
Funding: $0
Principal Investigator:
Award: Intramural
Awardee: Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Description: CMS is jointly sponsoring two clinical trials with the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK) on daily hemodialysis. The purpose of these trials is to understand the clinical, quality of life, and economic effects of more frequent hemodialysis. The two trials compare conventional hemodialysis to two different forms of daily hemodialysis: short, in-center hemodialysis performed six times weekly and nocturnal hemodialysis – where a patient dialyzes at night at home while they sleep. A representative from ORDI is serving as the project liaison and assisting the NIDDK in carrying out the study. This liaison representative serves as a voting member of the steering and planning committee and has substantial involvement in the development of cost data collection design, collection, and analysis. Results from the cost study will be used to develop recommendations regarding how Medicare might pay for more frequent hemodialysis if the technique proves to have significant health benefits for Medicare beneficiaries.

Status: The research protocol has been completed, which includes a plan for analyzing the cost-effectiveness of more frequent hemodialysis to the Medicare Program.

Randomization of study subjects is expected to begin in July 2005. ■

Cost Effectiveness of Etanercept, Adalimumab and Anakinra in Comparison to Infliximab in the Treatment of Patients with Rheumatoid Arthritis in the Medicare Program, The

Project No: CMS-IA-05-28A-2
Project Officer: Penny Mohr
Period: October 2004 to June 2005
Funding: $99,592
Principal Investigator: Alan Brennan, Ph.D.
Award: Intra-agency Agreement
Awardee: Sheffield University School of Health and Related Research
Regent Court 30, Regent Street
Sheffield, UK S1 4DA

Description: This study examines the incremental cost-effectiveness of the self-administered immuno-modulating drugs etanercept, adalimumab, and anakinra, which are covered under a Medicare demonstration program mandated by Section 641 of the Medicare Prescription Drug Improvement and Modernization Act (MMA) – relative to that of physician-administered infliximab, which is currently covered under Medicare Part B. An analysis of the cost-effectiveness of the demonstration project that extends coverage to these therapies is required under the Prescription Drug Improvement and Medicare Modernization Act.

Status: The model structure and conceptual framework have been defined. Data for Medicare recipients from the National Databank for Rheumatic Diseases are being analyzed to obtain estimates on time spent on biologic, disease progression, relationship of disease progression to health state utility, and relationship between health state utility and resource use to populate the model. ■

Cost-Effectiveness of Oral Versus Infusion Chemotherapy Regimens for the Treatment Of Metastatic Non-Small-Cell Lung Cancer Among the Medicare Population, The

Project No: ORDI-05-0008
Project Officer: Penny Mohr
Period: October 2004 to December 2005
Funding: $0
Principal Investigator:
Award: Intramural
Awardee: Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Description: The goal of this analysis is to compare the incremental cost-effectiveness of the oral anti-cancer agents – gefitinib (Iressa ®) and erlotinib (Tarceva ®) – with infusion chemotherapy regimens currently covered under Medicare Part B for the treatment of advanced non-small-cell lung cancer (NSLC). Data for the model will come from three principal sources: a systematic review of the clinical literature, the Medicare-SEER database maintained by the National Cancer Institute, and Medicare administrative data, including pharmacy claims data obtained from the demonstration project. The analysis will also assess how the cost-effectiveness of these oral agents changes relative to infusion therapy if restricted to use in a population with specific cytogenetic markers shown to be responders. A demonstration project extending coverage to these oral therapies, among others, was mandated under Section 641 of the Medicare Prescription Drug Improvement and Modernization Act (MMA). An analysis of the cost-effectiveness of this demonstration project is required under the Prescription Drug Improvement and Medicare Modernization Act.

Status: An analysis plan has been completed. Medicare-SEER data have been extracted for the study population and analytic variables are being developed. Duke University is summarizing the clinical literature under CMS IAA No. IA 05-28A — described elsewhere in this report, which will form the basis for estimates regarding the relative efficacy of these drugs and their impact on adverse events. ■

This page intentionally left blank.

This page intentionally left blank.

Design and Implementation of a Beneficiary Survey on Access to Selected Prescription Drugs and Biologicals

Project No: 500-01-0025/02
Project Officer: Penny Mohr
Period: September 2004 to November 2005
Funding: $589,537
Principal Investigator: Arnold Chen
Award: Task Order (ADDSTO)
Awardee: Mathematica Policy Research, (Princeton)
600 Alexander Park, PO Box 2393
Princeton, NJ 08543-2393

Description: The specific purpose of this project is to design and implement a survey of a sample of Medicare beneficiaries who are participating in a demonstration project for coverge of certain prescription drugs and biologicals.

Status: This project is underway. The survey instrument has been designed and a sampling and analysis plan completed. Pending OMB approval, approximately 4,000 participants in the Medicare Replacement Drug Demonstration are projected to be surveyed in Spring 2005 to assess the impact of the demonstration on beneficiary access to care and self-perceived health outcomes. ■

Development and Cognitive Testing of Questions Relating to Prescription Drug Discount Cards

Project No: 500-00-0024/02b
Project Officer: Noemi Rudolph
Period: May 2001 to August 2005
Funding: $191,127
Principal Investigator: Lauren McCormack
Award: Task Order (RADSTO)
Awardee: Research Triangle Institute, (NC)
PO Box 12194, 3040 Cornwallis Road
Research Triangle Park, NC 27709-2194

Description: The purposes of this project are to develop a set of Medicare beneficiary knowledge questions relating to prescription drug discount cards and to test the cognitive reliability and content validity of these questions. The tasks are to achieve consensus on measurement goals, develop and review questions with subject experts, field test the questions (cognitive testing), and organize the questions for a stand-alone survey. Among the topics for question development are self-reported knowledge and awareness of prescription drug discount cards, information needs and sources, specific features of prescription drug discount cards, pricing and cost knowledge and experience, and satisfaction with prescription drug discount cards. The development and testing of these questions will inform CMS education and outreach efforts on prescription drug cards.

Status: The questions and cognitive testing reports have been submitted to CMS. CMS fielded selected questions in the Summer 2004 round (Round 39) of the Medicare Current Beneficiary Survey. ■

Evaluation of Medicare Prescription Drug Discount Card and Transitional Assistance: Stakeholder Analysis

Project No: 500-00-0032/08
Project Officer: Noemi Rudolph
Period: June 2004 to March 2006
Funding: $742,082
Principal Investigator: Marian Wrobel, Ph.D.
Award: Task Order (RADSTO)
Awardee: Abt Associates, Inc.
55 Wheeler Street
Cambridge, MA 02138-1168

Description: This evaluation will focus on the impact of the Medicare Prescription Drug Discount Card and Transitional Assistance Program on stakeholders including, but not limited to drug card sponsors, pharmacies, drug manufacturers, and States. Qualitative data from these stakeholder groups regarding their experiences, successes, challenges, motivations and satisfaction under the program will be collected through interviews and site visits. The contract will be conducted

in two phases: Phase 1 - early implementation, and Phase 2 - experienced implementation, functions in local communities and will include focus groups with pharmacists.

Status: The interviews and site visits have been completed for Phase I and a final report of the findings and analysis is expected in April 2004. ■

Evaluation of the Beneficiary Impact of the Medicare-approved Prescription Drug Discount Card Program

Project No: GS-10F-0086K
Project Officer: Gerald Riley
Period: April 2004 to March 2006
Funding: $1,722,954
Principal Investigator: Andrea Hassol
Award: GSA Order
Awardee: Abt Associates, Inc.
55 Wheeler Street
Cambridge, MA 02138-1168

Description: CMS is sponsoring a comprehensive evaluation of the beneficiary impact of the prescription drug discount card and transitional assistance program. The evaluation will focus on beneficiary knowledge and understanding of discount cards; their experiences with and ratings of card sponsors; and savings in prescriptions drug costs. Understanding how beneficiaries react to the design, implementation, and operation of the drug discount card program will be essential to ensuring the successful implementation of a Part D drug benefit that will be administered by private plans.

The contractor will be responsible for the analysis of both primary data collected via surveys and focus groups and secondary data assembled from information reported by endorsed sponsors in addition to CMS administrative data. The contractor will prepare a report on the implication of experiences and findings from both the enrollee survey and the focus groups for the development of beneficiary satisfaction surveys for Part D drug benefit plans. The final report for the project is due in April 2006.

Status: The first round of focus groups has been conducted and the second round began in February 2005. The first round of enrollee surveys was conducted in September - December 2004. The second survey round will be conducted beginning in April 2005. Analysis of secondary data will follow later in 2005. ■

Evaluation of the Illinois and Wisconsin State Pharmacy Assistance Programs

Project No: 500-00-0031/02
Project Officer: William Clark
Period: September 2002 to September 2005
Funding: $1,199,885
Principal Investigator: Donald Shepard
Award: Task Order (RADSTO)
Awardee: Brandeis University, Heller Graduate School, Institute for Health Policy
415 South Street, P.O. Box 9110
Waltham, MA 02254-9110

Description: This evaluation examines two State pharmacy programs that have expanded Medicaid pharmacy coverage to low income residents otherwise not Medicaid eligible. The goals of this project are to understand administrative issues regarding State-sponsored prescription drug benefit program and to estimate the cost effectiveness of providing prescription drug coverage to elderly beneficiaries. Specifically, it will conduct a descriptive evaluation, a cost-effectiveness analysis, and other analyses of specific aspects of the Illinois and Wisconsin pharmacy plus waiver demonstrations. The evaluation also provides an opportunity to assess pharmacy coverage for large numbers of Medicare beneficiaries as a precursor to Medicare prescription drug coverage, and changes in State programs that are made in adjusting to the new Medicare role.

Status: The survey is now being merged with administrative data and a report is being prepared. The study survey has been fielded. ■

Explicit Valuation of Pass-through Technologies Under Medicare: Is It Feasible or Desirable?

Project No: ORDI-05-0010
Project Officer: Penny Mohr
Period: October 2004 to June 2005
Funding: $0
Principal Investigator:
Award: Intramural
Awardee: Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Studies of Use and Expenditure Patterns in Medicaid by Therapeutic Class of Drug for Selected Eligibility Groups

Project No: ORDI-IM-109
Project Officer: David Baugh
Steven Blackwell**Period:** August 2000 to December 2005
Funding: $0
Principal Investigator:
Award: Intramural
Awardee: Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Description: This project uses Medicaid prescription drug data files to group drugs by therapeutic class for the years 1994 through 2000. A series of intramural studies is planned. Research questions to be addressed include:

(1) What types of drugs are used by Medicaid eligibility group?

(2) What are the program payments for drugs by Medicaid Program and enrollee characteristics?

(3) What are the characteristics of settings where drugs are prescribed and how are they changing?

(4) What are the utilization and program payments for high cost drugs?

(5) What are the causes for Medicaid drug payment increases?

(6) What can we learn about drug utilization patterns in fee-for-service to identify any access and under-utilization problems after the implementation of prepaid plans?

(7) What are the trends in drug utilization, by therapeutic category of drugs?

(8) What are the levels of utilization and program payment for off-labeled uses of drugs?

(9) What are the benefits-versus-cost tradeoffs of prescribing later-generation as opposed to earlier-generation drugs?

Status: During fiscal year 2001 the researchers added therapeutic classification data to each Medicaid prescription drug record. These data were acquired via a license from the data holder, First Data Bank of San Bruno, CA. During 2003 and 2004, the research team prepared three manuscripts using these data. Two of these manuscripts have now been published and the third has been accepted for publication. The references for these articles are:

• Baugh, D.; Pine, P.; Blackwell, S. and Ciborowski, G.: Central Nervous System Prescription Drug Use and Payments in Medicaid. Accepted for publication in the Journal of Pharmaceutical Marketing and Management.

• Baugh, D.; Pine, P.; Blackwell, S. and Ciborowski, G.: Medicaid Prescription Drug Utilization and Payment in the 1990s: A Decade of Change. Health Care Financing Review. 26 (1), Fall 2004, pp. 57-73.

• Baugh, D.; Pine, P.; Blackwell, S. and Ciborowski, G.: Medicaid Spending and Utilization for Central Nervous System Drugs. Health Care Financing Review. 25 (3), Spring 2004, pp. 5-23.

Additional research is underway. ■

Theme 7

Programming Support for Data to Study Drug Utilization of Medicare-Aged Merged Information from Medicare and Federal BC/BS Retirees

Project No: 500-02-0006/02
Project Officer: Jesse Levy
Period: July 2003 to January 2005
Funding: $99,950
Principal Investigator: Celia H. Dahlman
Award: Task Order (ADP Support)
Awardee: CHD Research Associates
5515 Twin Knolls Road #322
Columbia, MD 21045

Description: The project starts with claims and enrollee data for retirees from the Federal Employee Blue Cross/ Blue Shield (BC/BS) claims and enrollee data for the years 1999 through 2002. These files, in conjunction with CMS claims data for these enrollees, will be analyzed to derive a drug benefit risk-adjustment model. For each retiree in the dataset, the contractor will compile all the diagnoses in both the BC/BS and CMS data systems, drug spending, Medicare spending, and demographic information. The resulting files will be turned over to CMS for analysis.

Status: The project is completed. ■

Relative Efficacy of Oral Cancer Therapy for Medicare Beneficiaries Versus Currently Covered Therapy, The

Project No: CMS-IA-05-28A-3
Project Officer: Penny Mohr
Period: September 2004 to June 2005
Funding: $191,254
Principal Investigator: Doug McCrory, M.D.
Award: Intra-agency Agreement
Awardee: Duke Center for Clinical Health Policy Research
2200 West Main Street, Suite 220
Durham, NC 27705

Description: The purpose of this task order is assess the efficacy of selected oral cancer therapies included in the Medicare Replacement Drug Demonstration mandated under Section 641 of the Medicare Prescription Drug Improvement and Modernization Act (MMA) – relative to drugs currently covered under Medicare Part B. This assessment will provide information that will be used to evaluate the likely effects of the demonstration on patient outcomes. The scope of the assessment is limited to the following drugs and conditions:

- Imatinib for treatment of chronic myeloid leukemia.
- Imatinib for treatment of gastrointestinal stromal cancer.
- Gefitinib for treatment of non-small cell lung cancer.
- Thalidomide for treatment of multiple myeloma.

The impact of these drugs on survival, disease progression, rates of adverse events, and quality of life will be examined.

Status: Nearly 800 abstracts were reviewed and over 300 were selected for full-text review. A meeting of a technical advisory panel consisting of experts in the clinical treatment of the selected cancers was held in January 2005 to clarify the scope of the assessment and review preliminary findings. ■

Statistical Imputation of Prescription Drug Spending

Project No: 500-2005-00003C
Project Officer: Cynthia Tudor
Period: November 2004 to May 2005
Funding: $99,900
Principal Investigator: Thomas MaCurdy
Award: Contract
Awardee: Acumen, LLC
1415 Rollins Rd
Burlingame, CA 94010

Description: The goals of this project are to provide technical expertise regarding Medicare Prescription Drug Benefit, to establish the Medicare Advantage Program rules, and to produce a written summary identifying areas in each draft rule where clarification or changes might be appropriate.

Status: The project is underway. Preliminary data sets have been prepared for potential prescription drug plan (PDP) bidders and are available at http://cms.hhs.gov/pdps. ■

Description: To encourage early adoption, Medicare pays a temporary premium for selected new technologies (which are called pass-through technologies) in the outpatient setting. The goal of this study was to examine how implicit decisions being made for pass-through technologies compare with explicit cost-effectiveness criteria. Four technologies–two pass-through devices (embolic capture devices and silicone oil for retinal tamponade) and two pass-through drugs/biologicals(pegfilgrastim, triptorelin pamoate)—which Medicare estimates will account for the bulk of pass-through spending for 2004 were selected as case studies.

The project critically evaluates the availability and quality of cost-effectiveness literature available for policy making, the implications of the results of available studies on Medicare policies, and explores the viability or reasonableness of using cost-effectiveness criteria as an additional criterion for approving the pass-through status of new technologies.

Status: Assessment of three of the four case studies has been completed. ■

Impact of Prescription Drug Coverage on Medicare Program Expenditures: A Case Study of the Evaluation of the United Mine Workers (UMW) Demonstration, The

Project No: 500-00-0032/04
Project Officer: Brigid Goody
Period: September 2002 to February 2004
Funding: $181,763
Principal Investigator: Marian Wrobel, Ph.D.
Bruce Stuart
Award: Task Order (RADSTO)
Awardee: Abt Associates, Inc.
55 Wheeler Street
Cambridge, MA 02138-1168

Description: This project addresses the issue of how prescription coverage influences the use of medical care as drug therapy substitutes for or complements other medical services. The research has three specific aims: (1) to assess the impact of prescription coverage of Medicare beneficiaries on program expenditures for Part A and Part B services; (2) to use the results of the analysis under Aim 1 to develop a method for evaluating the UMW waiver demonstration; and (3) to model per capita drug expenditures as a function of demographic characteristics and health status. The sole data source for the study is the 1995 - 2000 Medicare Current Beneficiary Survey.

Status: The final report (received January 29, 2004) is available on the CMS website. The study on the impact of drug coverage on Medicare Part A and Part B expenditures showed that higher spending on drugs among those with coverage appears to have little aggregate impact on spending for Medicare-covered services. However, results suggest that drug coverage may potentially produce cost offsets for persons with particular medication-sensitive conditions, but the level of savings may also change over time. The key finding from the study on predicting drug expenditures was that health conditions were, in fact, key predictors of drug expenditures. The predictable component of drug expenditures was driven primarily by conditions that persisted from year to year. ■

Iowa Prescription Drug Cooperative

Project No: 18-C-91369/07-02
Project Officer: Pamela Kelly
Period: March 2001 to September 2004
Funding: $1,500,000
Principal Investigator: Ann Kinzel
Award: Grant
Awardee: Iowa, Department of Public Health
Lucas State Office Building
DeMoines, IA 50319

Description: CMS awarded funds to the Iowa Department of Public Health to establish a non-profit corporation, with directors from the public and private sectors, to operate a buying cooperative designed to reduce the burden of high prescription cost on Iowa seniors. Congress appropriated $1 million in the FY 2001 research budget for the demonstration. CMS approved an additional amount of $500,000 from its research budget to enable Iowa to lower the seniors' annual fee. Reducing expenditures on medications occurs in two ways: by negotiating discounts/rebates with pharmaceutical companies so seniors can purchase medications at a discount without the entire burden being shifted to the pharmacy; and by Seniors, on the recommendation of their physicians and/or pharmacists, choosing to substitute a medication that costs less but is equally therapeutically effective and safe

The program targets approximately 470,000 Medicare beneficiaries who do not have an insured drug benefit or are eligible for Medicaid. Members of the cooperative pay an annual fee of $20, and receive an initial drug therapy assessment to provide the baseline for ongoing assessment to assure safety and effectiveness of drug therapies. Each time the member fills a prescription, the medication is checked for safety and effectiveness

through a prospective drug utilization review process. In addition, members are encouraged to use less expensive brand name drugs and generic drugs through consultation with the physician, pharmacist, and patient. Prescription drugs are discounted approximately 10 percent. The program also includes an education and communication component directed at physicians and pharmacists so that they can help seniors to be cost-conscious.

Status: The project ended in September 2004 and was transitioned into a Medicare Approved Discount Drug Card.

The key finding in this project was that performing an assessment of the medication taken by seniors is crucial to eliminate the possibility of adverse interactions. In the Brown Bag assessments that were performed during the course of this project, many pharmacists were able to identify situations where over-the-counter-drugs and/or herbal supplements caused an adverse interaction with the prescription drugs that the seniors were taking.

The Iowa Prescription Drug Card became a model for the new Medicare Approved Discount Drug Card, as many manufacturers are now requiring that the discount cards pass on 100 percent of the discount to the Medicare patient. This is one of the biggest changes in discount cards, since previously most pharmacy benefit managers have retained some percentage of the discounts offered by manufacturers.

A final report has been issued for this project. ■

Medicaid and Medicare Drug Pricing-Development and Implementation of Strategy to Determine Market Prices

Project No: 500-00-0049/01
Project Officer: Deirdre Duzor
Period: September 2003 to June 2005
Funding: $2,999,284
Principal Investigator: Marian Wrobel, Ph.D.
Award: Task Order (RADSTO)
Awardee: Abt Associates, Inc.
55 Wheeler Street
Cambridge, MA 02138-1168

Description: Under the Medicaid Program, states have the option to cover outpatient drugs. All States have chosen to exercise this option. In 2002, Medicaid spending on drugs topped $23 billion. This is an increase of 18 percent over 2001. From Federal fiscal year (FY) 1997-2000, Medicaid expenditures on outpatient drugs grew more than twice as fast as total Medicaid spending, accounting for over 16 percent of total spending growth over that period. The President's proposed budget for FY 2004 projects Medicaid outpatient drug costs to continue to rise at an average rate of 12 percent over the 5-year period.

The Medicare Program offers a more limited drug benefit than is available in Medicaid. Under Part B of Medicare, drugs (including biologicals) covered are those that cannot be self-administered or are provided in conjunction with durable medical equipment. In addition, Medicare covers certain self-administered drugs used to treat cancer and for immunosuppressive therapy. The law sets payment for these drugs at 95 percent of average wholesale price (AWP). In 2002, Medicare spent $8 billion on these drugs. Spending is projected to increase at 25 percent annually.

In light of the rapid growth in drug costs, CMS and States are interested in developing strategies to reduce costs, such as lowering the amount paid for drugs.

Status: The scope of work was expanded on September 30, 2004 to include a case study of the Texas Vendor Program prices and the contract has been extended until June 30, 2005. The final report on Phase 1 was delivered on June 21, 2004. ■

Medicaid Prescription Drug Data

Project No: 500-96-0516/11
Project Officer: David Baugh
Period: September 2000 to April 2004
Funding: $74,971
Principal Investigator: Celia H. Dahlman
Award: Task Order (ADP Support)
Awardee: CHD Research Associates
5515 Twin Knolls Road #322
Columbia, MD 21045

Description: This project supports intramural research by preparing tabulated data using State Medicaid Research File data from 1996, 1997, and 1998. Based on earlier findings, this work examines the mix of prescription drugs that are being provided to Medicaid enrollees. The intramural project profiles use and expenditure by eligibility group based on prescription drug mix. It also identifies which drug categories are most utilized and which are the most expensive. A cross-sectional design is being used. These data have been used for several internal analyses, presentations and research publications.

Status: Work was completed by the contractor for 1996-1998 and the contract task has ended. ■

Prescription Drug Benefit Questionnaire Item Development and Cognitive Testing

Project No: 500-00-0024/02c
Project Officer: Noemi Rudolph
Period: May 2001 to August 2005
Funding: $257,000
Principal Investigator: Lauren McCormack
Award: Task Order (RADSTO)
Awardee: Research Triangle Institute, (NC)
PO Box 12194, 3040 Cornwallis Road
Research Triangle Park, NC 27709-2194

Description: The purposes of this project are (1) to develop and cognitively test the reliability and content validity of a set of questions for the Medicare Current Beneficiary Survey (MCBS) that gather information on the generosity of beneficiary prescription drug coverage, (2) to develop and cognitively test questions for a survey that measures the type, depth, and adequacy of beneficiary prescription drug coverage, and (3) analyze data using selected MCBS questions on prescription drug coverage, including those developed in item 1 to determine: (a) beneficiary cost-sharing measures currently used by existing health plans that provide prescription drug benefits, (b) any differing characteristics of beneficiaries with and without current drug coverage, and (c) any differences in beneficiary knowledge for those with and without coverage for prescription drugs. The questions and analysis will inform CMS implementation, monitoring, and evaluation of the future Medicare prescription drug benefit.

Status: Questions relating to the generosity of coverage have been developed, tested, and fielded in the Winter 2004 Round of the MCBS (Round 38). The analysis and report are expected by Spring 2005. Questions on the type, depth, and adequacy of prescription drug coverage were developed and cognitively tested in the Fall 2004. ■

Prescription Drug Coverage in Medicaid: Using Medicaid Claims Data to Develop Prescription Drug Monitoring and Analysis

Project No: 500-00-0047/02
Project Officer: David Baugh
Period: September 2002 to July 2006
Funding: $610,254
Principal Investigator: Jim Verdier
Award: Task Order
Awardee: Mathematica Policy Research, (DC)
600 Maryland Avenue, SW, Suite 550
Washington, DC 20024-2512

Description: Rapid growth in Medicaid prescription drug expenditures, serious State budget problems, and the congressional debate on Medicaid prescription drug coverage have combined to draw increasing attention to prescription drug use in Medicaid. The new Medicaid Analytic eXtract (MAX) database for 1999 provides an opportunity to develop tables, graphs and analyses that can illuminate these prescription drug issues for Federal and State policymakers, stakeholder groups, and researchers at a level of detail not readily available to date. This contract uses the MAX data to address Medicaid and Medicare prescription drug issues.

Status: The contractor has prepared a full set of data tables in the form of a statistical compendium, using 1999 MAX data for the 50 States and Washington, D.C. The tables provide detailed information on prescription drug utilization and spending for three major populations: all Medicaid, dual enrollees and Medicaid nursing facility residents. These data are available on the CMS web site data, through either :

(1) The direct site for these data at address:

http://www.cms.hhs.gov/researchers/projects/medicaid_rx, or

(2) The Prescription Drug Plans site at address:

http://www.cms.hhs.gov/pdps.

The contractor has also produced a Medicaid prescription drug chart book that has also been posted on the CMS web site, and is accessible at these addresses. ■