

## Alliance Learning Circles

### Issues in Focus: Taking a Closer Look at Comparative Effectiveness Research

Comparative effectiveness research offers the promise of delivering meaningful comparisons for medications, treatments, tests, doctors, hospitals and policies, according to speakers at The Alliance Learning Circle event on Sept. 22 in Madison. Dr. John Santa, director of *Consumer Reports* Health Ratings Center, and Dr. Raymond J. Zastrow, president of QuadMed, shared their perspectives on the future of comparative effectiveness research and what it means for consumers and employers.

#### Identifying ‘Borderline’ Treatments

Santa said one way to recognize a “borderline” health treatment is to listen to the topics of health-related advertising, which rarely focuses on widely accepted forms of treatment.

“One general rule is when you hear health care advertising about some specific product, patients deserve some comparative information,” Santa said.

While “hundreds of millions” of dollars are invested in medical research to examine a particular health care treatment or medication, very little money is spent comparing similar treatments or medications. As a result, even consumers who can figure out whether “Product A” works will still lack information about whether “Product A” is better than “Product B.”

**“Health care industries don’t want to compete on price. They want to convince you that their product is unique and so you ought to pay their price.”**

**-- Dr. John Santa**

“Consumers think this type of research has been done and doctors base decisions on it,” Santa noted. Educating consumers so they understand that these comparisons are often unavailable will empower them to question physicians and other caregivers about the benefits of different treatments and approaches.

Santa said making comparisons is a fundamental human process and an accepted practice in the American marketplace, despite the objections to comparative health research voiced by some groups engaged in the health reform debate.

“We believe in free markets, we believe in competition, we believe in equal opportunity, and comparisons are key to all of this,” Santa said. “Part of a fair marketplace is information that’s balanced, that’s fair.”

## **Sellers Dominate Information**

“Sellers” such as hospitals, treatment providers and pharmaceutical companies provide most of the information in the current health care marketplace. These “sellers” want to keep consumers – their “buyers” – focused on the unique features of their product and avoid comparisons based on price. Third parties that have a role in directing consumers’ health decisions, including physicians and insurers, also complicate the flow of information.

While consumers might assume that physicians put the patient’s fiduciary interests first – the Hippocratic Oath commits them to do so – the reality is that 94 percent of physicians accept gifts from companies that have a fiscal stake in health care purchases, such as pharmaceutical companies and manufacturers of medical devices.

Equally important, the current “bizarre” payment system rewards hospitals and other providers for poor care, since medical mistakes lead to additional care that generates additional charges.

The health care marketplace leaves consumers at a disadvantage as they seek accurate information about effectiveness and cost. Comparative effectiveness research can help address these issues by giving consumers and other payers access to accurate, independent information for making decisions.

## **Surprising Data**

A surprising amount of information is already available, Santa said. “There are many more situations than many of us realize where we do have evidence and that evidence doesn’t show any difference” between the latest care being touted by the industry and cheaper, older approaches.

An example is provided by vertebroplasty surgery for low back pain, which has “exploded” in usage in the past five to seven years. Yet a randomized study of two groups of patients showed that no significant improvement resulted from the surgery.

### **Ineffective Approaches**

Dr. Santa highlighted treatments that fare poorly in direct comparisons to existing alternatives, including:

- EKG for non-symptomatic patients
- Ultrasound for peripheral vascular disease
- Breast MRI
- Back fusion surgery instead of a laminectomy

Older, generic medications are one area where comparative effectiveness research could make a difference in treatment costs by persuading physicians to continue prescribing them, rather than switching patients to newer, higher-cost options even when data fails to show improved effectiveness.

For example, medication studies show that using ACE inhibitors to treat diabetics with high blood pressure is highly effective at a low cost, since all ACE inhibitors are available in generic form at a reasonable price. In fact, six of the seven drug classes that effectively treat high blood pressure are now available in generic form, yet industry advertising persuades payers to spend “hundreds of millions” on higher-cost ARB medications, which are unavailable as generics.

In cases where “lots of evidence” about treatments or medications is available, it is common for research to show minor differences. But examples of proven major differences between aspects of health care are “less common than most of us think,” Santa said.

Consumers are most vulnerable when comparative evidence is lacking because decisions are then more likely to be made based on the bias of the physician or misleading news coverage. This common scenario is illustrated by pain medications, which represent the most commonly prescribed type of medication in the U.S. Yet there are virtually no comparisons of different types of pain medication.

### **Stimulus Bill Funding**

The stimulus bill contains \$1.1 billion in funding for comparative effectiveness research. Santa identified four key issues for establishing meaningful comparative effectiveness research:

- Research must be done by credible researchers without conflicts of interest to produce “globalized evidence.”
- The data should be transparent and publicly accessible.
- Research must be effectively disseminated to purchasers and consumers.
- The data should support “localized decisions” by providing information about cost and enabling effective comparisons of local products and services.

“We should anticipate opposition from the industry,” Santa adds. Early criticism focused on fears that comparative research could lead to rationing for some forms of treatment as well as the possibility that research could fail to identify differences in effectiveness linked to specific racial or ethnic groups. The involvement of trusted groups such as *Consumer Reports* is needed to pursue the “enormous opportunities” for comparative effectiveness research to change how consumers weigh health purchases and decisions.

### **Value-Based Purchasing**

Comparative effectiveness research “is all about making informed decisions to improve health,” QuadMed’s Zastrow said. QuadMed is the medical division of Quad/Graphics, the world’s largest privately-held printer. Based in Sussex, Wis., Quad/Graphics employs 11,000 workers at facilities that include 10 printing plants in six states. QuadMed operates six clinics to serve Quad/Graphics employees and also provides clinic services for employees of corporate clients.

Zastrow noted that the stimulus bill limits comparative effectiveness research to clinical outcome-based research and analysis. A new federal body, the Federal Coordinating Council for Comparative Effectiveness Research, will be created to oversee this research. The stimulus bill states that this advisory council will not have the authority to mandate coverage, reimbursement or other policies for any public or private payer.

As an employer and payer, Quad/Graphics has always strived to balance patient choice with steerage. It provides on-site medical care for employees and emphasizes wellness and preventive care in its benefit design. Primary care providers receive a salary and develop relationships with patients through 30-minute appointments, compared to an average of seven minutes at many private physician

**Per-employee, per-year benefit cost increases, 2000 to 2007:**

**Quad/Graphics – 4.9 percent**

**Similar-sized manufacturing companies – 9.4 percent**

clinics. This model has helped Quad/Graphics rein in benefit costs, with an annual increase of 4.9 percent per employee from 2000 to 2007, which compares to a national average of a 9.4 percent increase among similar-sized manufacturing companies.

Quad/Graphics' employee health philosophy is similar to the "patient medical home" concept, which emphasizes long-term relationships built on trust and coordinates care across the health care system.

Combining long-term relationships with benefit design has helped Quad/Graphics build participation in its wellness program and change employee behavior. An employee and his or her spouse together can earn premium reductions of \$520 by enrolling in the wellness program, participating in a health risk assessment and signing a statement that they are tobacco-free. They can earn another \$400 to \$800 a year through wellness program achievement awards. Diabetic employees can reduce health costs another \$540 a year by participating in a chronic condition management program that eliminates co-pays for most medicines. Other chronic condition programs aid employees with asthma, high cholesterol and high blood pressure.

Zastrow suggested four measures that can help employers foster the maturation of the health care industry (see box). He noted that the goal of comparative effectiveness research is better decision-making by patients and providers alike. To achieve this, the U.S. must find effective strategies for disseminating comparative effectiveness research findings as well as promoting their adoption into clinical practice.

#### **How to Foster the Maturation of Health Care as an Industry**

- Invest in primary care
  - Provided on-site or in community-based "medical homes"
  - Soften and standardize laws regulating "corporate practice of medicine"
- Promote patient incentives for health behaviors
  - Encourage the federal government to soften ERISA and other regulations to promote achievement incentives for clinical metrics such as blood pressure and cholesterol
- Remove piecemeal provider incentives for chronic care management
  - Blend fee-for-service and care coordination, while carefully "sprinkling in" pay for performance
- Promote population health management of covered lives
  - Move employees along the wellness continuum, one patient at a time