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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/16/09

SPONSOR Feldman LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE UNM Prescription Drug Task Force SJM 6

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$0.1	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
 University of New Mexico (UNM)  
 Health Policy Commission (HPC)  
 Regulation and Licensing Department (RLD)

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 6 requests that:

The University of New Mexico Health Sciences Center establish a task force, including representatives from the University of New Mexico School of Medicine, the University of New Mexico College of Pharmacy, the New Mexico Board of Pharmacy, the New Mexico Medical Society, the New Mexico Pharmaceutical Association and others with appropriate expertise regarding academic detailing programs, to study the potential for instituting a program of academic detailing to provide evidence-based information that promotes the most appropriate and clinically sound use of prescription drugs to New Mexico prescribers.

The study identify the cost of instituting such a program, including the cost of training clinicians to provide academic detailing, and the ongoing costs of operating such a program.

The study assess the cost-effectiveness and potential savings to the medicaid program, based on a review of pertinent literature and an evaluation of prescribing patterns.

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The financing and other mechanisms identified and employed in Pennsylvania, Vermont and other states that have instituted programs of academic detailing be considered.

The study evaluate the influence of pharmaceutical manufacturers' marketing and detailing and the pressure to use those manufacturers' products.

The results of the study be presented to the interim legislative health and human services committee at its November 2009 meeting

### **FISCAL IMPLICATIONS**

While fiscal implications are not substantial, the University of New Mexico Health Sciences Center could have some costs in providing administrative and operational support regarding the task force meetings and the development of the report.

### **SIGNIFICANT ISSUES**

UNM states that UNM HSC supports an academic detailing effort that utilizes evidence-based data for selection of appropriate prescription drugs. UNM HSC believes the memorial identifies the appropriate groups to work on such a collaborative. Regarding the scope of the project; it would seem that a pilot project that identifies a select group of drugs (for example, antidepressants, lipid-lowering drugs, anti-hypertensive drugs) in the state Medicaid population using telephone or mail strategies would be most appropriate.

The HPC states that academic detailing (also known as prescriber education and outreach) utilizes independent, trained clinicians to present objective, comparative, evidence-based information on prescription drugs to prescribers.

The HED states that:

Pharmaceutical manufacturers hire salespeople to promote their companies' products to prescribers. Although there may be inherent conflicts of interest between marketing and patient care, contact with these “detail men and women” is one of the most effective ways to convey information about the medications they prescribe.

According to the Prescription Project, a campaign funded by The Pew Charitable Trusts to challenge pharmaceutical marketing practices, the industry spends more than \$7 billion a year on direct marketing to doctors and employs about 90,000 salespeople (one for every five doctors).

There are safety concerns over certain medications that have been heavily marketed and promoted beyond what is deemed necessary based on patient need.

The states of Pennsylvania, Vermont and West Virginia have developed alternative approaches to industry manufacturer marketing known as academic detailing. This is where individuals paid by the state are utilized to be an impartial conveyor of information and ensure that patients get the most effective treatment. For example, efforts to hold down expenses may include steering doctors to generics and in others by showing how lifestyle changes can sometimes be preferable to medication.

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The RLD comments that new pharmaceuticals enter the U.S. market after approval from the U.S. Food and Drug Administration. Sales representatives from the various pharmaceutical manufacturers promote those products to health care practitioners. The manufacturers' representatives also provide prescribing information to the practitioner which may be the practitioner's only education regarding the product.

GH/svb