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## IN THIS ISSUE

The study, "Pharmacotherapy and Outcomes Among Veterans with Chronic Heart Failure (2000-2002)," appeared in *Value in Health*. The authors of the article, all with the Houston Center for Quality of Care and Utilization Studies, are: Michael Johnson, PhD, (also with BCM), Louise Henderson, MS, Hong-Jen Yu, MS, Jennifer Campbell, MS, Mark Moffett, PhD, (also with BCM), Nancy Petersen, PhD, (also with BCM), Donna Espadas, BS, and Anita Deswal, MD, MPH, (also with BCM).



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# HEALTH POLICY research

James A. Baker III Institute for Public Policy-Baylor College of Medicine  
Joint Program in Health Policy Research

## Can Increased Spending on Medications Save Lives and Money?

"Yes," says Michael Johnson, an assistant professor at the Baylor College of Medicine. Health care costs are continuing to rise and now constitute 16% of the gross domestic product (GDP). Prescription drugs are a significant contributor toward this escalation in prices. Billions of dollars are spent to develop medications, and a great deal is known about which types of medications are of most benefit in certain clinical conditions. An important question, however, is, Are people in everyday practice getting the medications that are proven to work best? Is money spent on such medications a good investment from society's point of view?

In order to answer these questions, Johnson and his colleagues studied the patterns of care in a large national population of patients with chronic heart failure. They found that patients were receiving drugs that are known to have treatment benefits, and that this use was rising over time. For example, beta blockers were received by only 35% of patients with chronic heart failure in 1999, but this proportion increased to more than 55% in 2002. Angiotensin converting enzyme (ACE) inhibitor drugs or angiotensin receptor blocker

drugs were used in about 70% of patients. During this time, hospitalizations for any cause and, specifically, hospitalizations for chronic heart failure among this same group of patients decreased. Death rates also decreased. The share of costs due to outpatient and pharmacy care rose slightly, but the reduced costs from inpatient care resulted in a net decline in total costs per patient.

"Our research is important, because it shows that patients with chronic heart failure are receiving the drugs that have been shown to work, and that these drugs are effective in everyday practice," says Johnson. "While overall costs of medications are rising, some of this rise in costs actually reduces costs for hospital services and prevents deaths."

Because heart failure is the leading cause of hospitalizations in the Medicare population, these results should be encouraging to policymakers who are working on legislation for the Medicare pharmacy benefits program. With the recent enactment of the Medicare Part D benefit for medications, research of this type can help determine whether patients are getting high-quality care that saves lives and money.

**HEALTH POLICY** research presents a summary of findings on current health policy issues. It is provided by the James A. Baker III Institute for Public Policy's Health Economics Program in collaboration with the Baylor College of Medicine's Health Policy and Quality Division.

This publication is provided to make research results accessible to regional and national health policymakers. The views expressed herein are those of the study authors and do not necessarily represent those of the Baker Institute or of the Baylor College of Medicine.

The Baker Institute and the Baylor College of Medicine's Health Policy and Quality Division work with scholars from across Rice University and the Baylor College of Medicine to address issues of health care—access, financing, organization, delivery, and outcomes. Special emphasis is given to issues of health care quality and cost.

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