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Comparative Effectiveness Research Could Alter Pharmaceutical Care in the United States, According to Tufts Center for the Study of Drug Development

BOSTON – July 8, 2010 – Comparative effectiveness research, which assesses the relative strengths and weaknesses of various medical interventions, could help close the gap between what is known and what is done in pharmaceutical care in the United States, according to the Tufts Center for the Study of Drug Development, which recently completed an analysis on the matter.

The new Tufts CSDD study on market access to oncology drugs in the U.S. and Australia found that regulatory approval of new drugs in Australia does not necessarily mean these drugs are approved for reimbursement.

“Based on the Australian experience, comparative effectiveness research severely restricts access to drugs not deemed cost-effective. On the other hand, it creates conditions for a more affordable, equitable system of access,” said Joshua P. Cohen, senior research fellow at Tufts CSDD and author of the study.

He added, “Although more oncology drugs are available in the U.S., and a higher percentage of them are covered, the evidence-based approach adopted by Australia has led to lower prices, improving the affordability of those medications considered cost-effective.”

He noted that, in addition to interpretations of clinical and economic evidence, reimbursement decision-making reflects differences in priorities. The U.S. system, for example, he said, favors immediate access, wide latitude in decision-making, and pluralism, while the Australian system favors a top-down, societal, evidence-based reimbursement decision-making process.

The study, reported in the July/August *Tufts CSDD Impact Report*, released today, also found that:

- * Oncology drug prices in Australia average 30% less than in the U.S., due in part to value-based pricing.
- * Sixty percent of drugs were assigned prior authorization or quantity limits by U.S. plans, while 100% of drugs were designated with prior authorization in Australia.
- * Australian patient cost sharing was much lower, and more evenly spread, than in the U.S., where the average co-insurance rate per covered drug was 35%.

About the Tufts Center for the Study of Drug Development

The Tufts Center for the Study of Drug Development (<http://csdd.tufts.edu>) at Tufts University provides strategic information to help drug developers, regulators, and policy makers improve the quality and efficiency of pharmaceutical development, review, and utilization. Tufts CSDD, based in Boston, conducts a wide range of in-depth analyses on pharmaceutical issues and hosts symposia, workshops, and public forums, and publishes Tufts CSDD Impact Reports, a bi-monthly newsletter providing analysis and insight into critical drug development issues.

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