

INTRODUCTION

Policy Forum: The Cost of Prescription Drugs

One of the most salient health policy issues of 2003 has been the Congressional effort to enact some form of prescription benefit for America's older adults and the disabled who are beneficiaries of the Medicare program. Over the past several weeks, we have all been made aware of the charges and counter-charges of various interest groups affected by the proposed changes, which President George W. Bush signed into law on Monday, December 8th. Among the most controversial aspects of this new legislation, which will not take effect fully until 2006, is the endorsement and national advertising advocacy effort of AARP in support of its passage, leading many to consider AARP to have given important ground in an effort to establish close working relationships with the Republican leadership in Congress. Conflicts of interest associated with AARP business involvement in both the pharmaceutical and health insurance fields have been highlighted in the post-legislative period, but many of the critics of this legislation have called attention to the tremendous pressure brought to bear on Congress by these industries, both of which seem to have logged tremendous success for their lobbying efforts as this large and complicated piece of legislation wound its way through the process.

The long-term implications of this legislation suggest significant changes in the structure and functioning of the Medicare program itself and the drug benefit proposal (even with corporate incentives to the contrary) may hasten the transfer of co-payments, coinsurance and deductibles to consumers, many of whom counted on these benefits to supplement their Medicare coverage in their retirement years.

Although millions of low-income older adults are likely to benefit from the passage of this legislation, the process of its enactment brings into focus a number of issues related to the cost of prescription drugs. In this issue of the *Journal*, we hope to bring additional attention to these larger issues, exploring why drugs are so expensive, how they are used, what is being done to channel the decisions of both healthcare professionals and consumers toward more cost-effective use of essential drugs, with the result that people who need these pharmaceuticals reap the benefit they are intended to provide.

We are grateful to David Work, JD and Melisa Domino, PhD for providing the issue brief for this topic, and to a large group of North Carolina leaders who have given us their own perspectives on these issues. Commentaries in this issue are from leaders in the pharmaceutical industry, state government, health insurers, the hospital industry, practicing pharmacists, consumer advocates, and academic health policy researchers. We are pleased to also include the perspective of a British barrister, Jonathan Marks, who has been actively involved in transnational aspects of prescription drug pricing. We deeply appreciate the time and effort each of these individuals devoted to helping to explain various facets of the overall topic of prescription drug pricing and how it affects North Carolinians.

Among all the factors responsible for both the cost and the quality of healthcare in America, prescription drugs are considered to be among the most important. Understanding the forces which help to make these drugs accessible and affordable is an important part of our effort to develop sensible public health policies for the future.

As always we welcome your comments and letters in relation to these issues.

—Gordon H. DeFries, PhD
Editor-in-Chief and Publisher