

# *Health News Briefing*

March 7, 2003

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## **Georgia at Forefront of AIDS Fight**

*The Atlanta Business Chronicle*

*February 17, 2003*

*By Julie Bryant*

President George W. Bush's call for increased funding to fight AIDS domestically comes as Georgia researchers ramp up efforts to devise new weapons against the devastating pandemic — including an AIDS vaccine.

The vaccine, developed by Emory University scientists through spinout company GeoVax, moved into human clinical trials in January. Researchers around the state, meanwhile, are toiling at a steady clip in the search for new AIDS treatments.

Patents issued to Georgia's most prominent AIDS researchers have increased in recent years, jumping from four in 2001 to six in 2002. Since 1990 some 40 patents related to AIDS research have been awarded to Georgia scientists.

More than half of those patents were issued to two researchers, Dennis Liotta and Raymond Schinazi, who led the discovery of the anti-HIV compound 3TC, which is used in AIDS-fighting "cocktail" drugs.

"A patent is just the first step," Liotta said. "A patent is meaningless unless you can do something with the material you patented."

But among the thousands of chemical compounds that can be part of a given patent may lie the next cure for a disease such as AIDS.

Backed by their 3TC discovery, Liotta and Schinazi co-founded Durham, N.C., biotech company Triangle Pharmaceuticals Inc. Triangle was recently bought by Gilead Sciences Inc. (Nasdaq: GILD) in a \$464 million deal. The duo also founded Tucker, Ga.-based Pharmasset Ltd., which is developing anti-viral drugs, including two HIV drugs now in clinical trials.

"It's a very exciting time," said Liotta, who also recently formed a startup drug discovery company in South Africa. More than 30 million people on the continent of Africa are afflicted with AIDS, according to estimates.

Bush, in his recent State of the Union address, promised \$15 billion to fight AIDS abroad and called for the allocation of \$16 billion in fiscal 2004 funds to fight AIDS domestically.

"There is always the possibility that [Bush] said this for political reasons," Liotta said. "But the more constructive interpretation is that the president realizes what an incredible source of

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devastation AIDS is to the continent of Africa and what that means in terms of economic stability."

The United States needs to take the lead in dealing with the AIDS pandemic, said Schinazi, who spoke Feb. 11 at the 10th Conference on Retroviruses and Opportunistic Infections, held in Boston. A disease as devastating as AIDS, which wipes out young, strong and old, can leave a country ripe for political takeover, he said.

In terms of drug therapy, we have nailed this virus," Schinazi said. "We have not cured it, but we have cornered it and tamed it. The next step is a cure."

Domestically, where an estimated 530,000 individuals are living with AIDS, more needs to be done to perfect treatments and seek a cure, he added.

At the Boston conference, researchers from Emory University and the Atlanta Veterans Affairs Medical Center presented research findings that demonstrate a link between HIV therapy and heart disease.

At the same conference, Pharmasset officials presented data from a study showing that a combination of available AIDS drugs could be useful as a once-a-day treatment. Patients infected with HIV often must take numerous drugs a day and scientists have been searching for a more convenient therapy.

The once-a-day AIDS drug Coviracil, co-developed by Schinazi and Liotta, is up for U.S. Food and Drug Administration (FDA) approval.

In November the Emory Center for AIDS Research (CFAR) nabbed a more than \$7.3 million, five-year grant from the National Institutes of Health (NIH), which will be used to further study the disease.

The grant also renewed Emory's designation as an NIH-sponsored CFAR site. Since the site was designated in 1998, NIH funding for HIV/AIDS research at Emory has grown from \$11.7 million to \$33.5 million.

Total Emory funding for HIV/AIDS research has increased from \$23.1 million to \$44.2 million. Of that \$44.2 million, \$40.9 million represents federal funding and \$3.3 million has come from private and commercial funding, according to Emory.

"I was surprised and pleased by Bush's call for funding increases," said Dr. James Curran, dean of the Rollins School of Public Health at Emory and principal investigator at the AIDS research center.

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"It's consistent with our concern with the global AIDS epidemic and our efforts at outreach," said Curran, former director of the HIV/AIDS division at the U.S. Centers for Disease Control and Prevention (CDC).

Emory scientists help train AIDS researchers in impoverished countries and sponsor exchange programs for scientists.

"We are all delighted and waiting to see what will happen," said Rafi Ahmed, director of the Emory Vaccine Center. "This could, indeed, be good for us."

Bush has been criticized in the past for not funneling enough funds into the fight against AIDS. Congress will have the final say on budget funding, but as Bush's proposal stands now, \$93 million would be earmarked for AIDS research and \$100 million to pay for AIDS drugs for individuals lacking health insurance.

The fiscal year 2004 budget also contains funds to fight the spread of HIV/AIDS worldwide and supports the President's Mother and Child HIV/AIDS prevention initiative, which aims to reduce mother-to-child transmission of the disease by 40 percent.

"It's hard not to think about anything but Iraq and North Korea and the concerns of the Middle East, so Bush is showing a commitment [to AIDS]," said Emory's Curran.

But the State of the Union address is not an appropriation and the budget has to be pushed through Congress if it is to become a reality, Curran said.

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## **Curing Health Care: Medicare Needs Far More Than a Facelift**

*The Wall Street Journal*

*February 20, 2003*

*By Robert E. Moffit*

Listening to the debate in Washington over Medicare, you'd think the whole issue revolved around the need for a prescription-drug benefit. But as President Bush emphasized in his State of the Union address, the problem goes much deeper. Medicare faces serious challenges, and if we don't act soon, we'll likely wind up with exploding costs, crushing taxation and lower-quality health care.

Because it's based on outdated principles of central planning and price regulation, Medicare is in a managerial crisis. The program is governed by literally tens of thousands of pages of rules, regulations, guidelines and administrative decisions that cover virtually every aspect of the financing and delivery of medical services for America's seniors.

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This metastasizing regulatory growth imposes enormous administrative costs on doctors, hospitals and other health-care providers who must comply with a growing morass of Medicare paperwork. An American Medical Association survey of doctors found that more than one-third spend an hour completing Medicare paperwork for every one to four hours of patient care. A similar study for the American Hospital Association found that for every hour of care delivered to a Medicare patient, hospital officials spend roughly one half-hour or even more complying with Medicare paperwork. Yet every dollar spent coping with Medicare's bureaucracy is a dollar less for patient care.

Another organizational pathology: Medicare's complex price-control system. Over the last several years, doctors have seen lawmakers cut their reimbursements and pile on reams of regulations. More than eight out of every 10 health-care professionals say they don't consider Medicare's fee schedules "fair," according to a survey by Yankelovich Partners, a nationally prominent survey research firm. In many cases, the Medicare reimbursements don't begin to cover the cost of providing care to Medicare patients. Small wonder that more doctors aren't accepting new Medicare patients.

Medicare also faces a long-term financial crisis. The aging population will mean a doubling of the number of Medicare beneficiaries over the next three decades. As a result, a proportionately smaller base of working taxpayers will be burdened with larger payments for the progressively more expensive benefits of a rapidly growing number of retirees.

There's no question that the president and Congress must address the need for a prescription-drug benefit, particularly among poor seniors. But they also should focus their efforts on ensuring better coverage for all retirees. The best model is the Federal Employees Health Benefits Program (FEHBP), a consumer-driven system of competing private plans that covers nine million federal workers, retirees and their families.

Meanwhile, Congress could jump-start reform by taking two quick steps:

- Allow new retirees to take their health plans into retirement as their primary coverage. At a certain date, Congress should allow new retirees who are 65 or older one of two options: enrolling in the conventional Medicare program or taking their private health plan with them into retirement, with a government contribution to offset its cost. This would not only allow for a seamless continuity of coverage and care for retirees, but would also change the fundamental dynamics of the program.

Private plans would be under the jurisdiction of a new market-friendly agency created to administer the program, which would take on functions similar to those of the Office of Personnel Management (OPM) in the administration of the FEHBP. With a gradual phase-in of reform, Congress could monitor the new option's progress and allow for adjustments in its financing and administration.

- Allow new retirees to take balances accumulated in health reimbursement arrangements (HRAs), flexible spending accounts (FSAs), and medical savings accounts (MSAs) into retirement to pay for medical goods and services. Millions of employees today have various health-related accounts, ones burdened with politically engineered restrictions. Congress should change the rules so that all employees and retirees would be allowed to own and maintain tax-free health-care accounts. They and their employers should be free to contribute to these accounts tax free, as well as roll over the funds in these accounts each year tax-free. Current retirees also could be allowed to participate.

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New retirees should be free to use the accumulated funds in those accounts for routine medical services or the services of specialists or alternative care -- whether or not they're covered by Medicare -- as well as for prescription drugs. Such retiree health-care accounts would also let new Medicare patients maintain the personal relationship with doctors they enjoyed during their working lives. Retirees should be able to pay doctors and other health-care professionals directly from these accounts without navigating complex Medicare rules or worrying about maintaining their medical privacy or getting the treatments they need when they need them.

The expansion of health-care accounts among retirees would promote direct patient payment for routine medical services, and thus maximize the efficiency of health care delivery among Medicare beneficiaries. They would also give doctors the freedom to practice medicine without having to cope with the bizarre regulatory restrictions, costly paperwork and maddening hassles imposed by the Medicare bureaucracy and its contractors.

But we must act soon. The time for bold action on Medicare is now. Never mind giving the program a facelift. America's retirees need to have their health-care program fully rejuvenated.

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## **Huckabee: Budget cuts could mean lost jobs, services**

Associated Press Newswires  
February 20, 2003  
By JAMES JEFFERSON

LITTLE ROCK (AP) - Jobs and services may not be immune from \$62.3 million in budget cuts the state must make by the end of June, Gov. Mike Huckabee said.

The cuts that the Huckabee administration announced Wednesday also raise the prospects for new taxes, the governor said.

Arkansas' economy is not producing enough money to maintain current state spending levels, Huckabee said. With only 4 1/4 months left in the fiscal year, service and staff reductions might be needed to cover the shortfall.

"Money is coming in as if through a drinking straw. It is going out as if through a fire hose. When you have those two elements, you end up with some pretty tough situations and that's what we're facing now," Huckabee said. "It's very realistic that you will see reductions in services, perhaps reductions in force that are going to be necessitated by these budget situations."

Nearly \$30 million will be cut from the Public School Fund and more than \$3 million from state prisons, the state fiscal office said. More than \$7 million of the cuts will come from Medicaid, the government-financed health care program for the poor, the elderly and the disabled.

"We're not talking here about propping state government up in a way that people are going to be lavishly spending," Huckabee said. "We're talking about real basic issues of providing eyeglasses for elderly people and prescription drugs for people at nursing homes, and keeping those nursing home beds open."

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The state finance office also lowered revenue projections for the next two years by \$94.1 million - erasing most of the \$113 million in revenue growth that the Huckabee administration had forecast for 2004-05. The move increases prospects for tax increases this legislative session as legislators consider two-year budgets for state agencies.

In November, the governor proposed a five-eighths-cent state sales tax increase to supplement the expected growth to maintain essential state services through the two-year period. On Wednesday, Huckabee acknowledged that his proposal might fall short.

Legislators had hoped to use the anticipated revenue growth to fund human services, prisons and other essential services and delay any tax increases until the fall. By the fall, they expected a study would be completed to determine the extent of changes needed and the cost to implement court-ordered improvements in public education.

Wednesday's revenue forecast prompted legislative leaders to rethink their strategy.

"What the forecast shows us is that more new money is not going to be coming through growth," said Sen. Jim Hill, D-Nashville, the Senate president pro tem. "It has probably given a little momentum to doing some sort of tax increase to provide base-level services."

Huckabee said lawmakers were close to filing legislation for his sales-tax proposal. Hill said he would introduce separate legislation to tax Internet sales.

A bill filed Tuesday would repeal a Social Security income tax credit passed as part of a \$90 million tax reduction package in 1997. Earlier filings would impose a 10 percent income tax surcharge, raise the severance tax on natural gas and eliminate exemptions for advertising in newspapers and on billboards.

Other legislators were considering ways to broaden the tax base, such as eliminating sales tax exemptions for professional services.

"I'm open-minded about any proposal the Legislature wishes to consider," Huckabee said. "I'm not going to close my mind or draw a line in the sand and say 'no' to anything."

The budget cuts announced Wednesday bring to \$290 million the total amount in cuts since November 2001. A \$56 million fiscal year-end cut last June brought the fiscal 2002 cuts to \$227 million.

Huckabee blamed the latest cuts on corporations legally sheltering income, and consumer caution in uncertain times.

However, Sen. Shane Broadway, D-Bryant, criticized the timing of the cuts that he said legislators have seen coming for months.

During a special session last June, Huckabee rejected lawmakers' advice to lower this year's spending forecast. If Huckabee had done so then, the cuts now would have been much less painful, the senator said.

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## **Plan to limit Louisiana Medicaid prescriptions to begin Monday**

Associated Press Newswires  
March 1, 2003

BATON ROUGE, La. (AP) - Medicaid patients already taking eight prescription drugs could be in for major sticker shock if they bring a ninth prescription to their drugstore next week.

A policy going into effect Monday limits most people on Medicare to eight prescriptions. However, their doctors can override that limit.

The state Department of Health and Hospitals estimates that about 18,000 of the 850,000 people who get prescriptions through Medicaid may be affected. It also figures the program will save \$12.5 million before the budget year ends July 1.

Its original limit proposal, estimated to save \$55 million a year, was pulled because of protests that the plan would hurt patient care and could create greater health problems for elderly, disabled and sick people.

The average Medicaid recipient gets about one prescription filled per month.

Several groups, including children, pregnant women and the mentally retarded and developmentally disabled who live in long-term care facilities, are exempt from the limit.

Like other states, Louisiana's Medicaid program is strapped for cash. Gov. Mike Foster cut funds earlier this fiscal year and the program had higher costs was budgeted. The state is working on ways to cut costs, like targeting overuse of Medicaid services in the \$620 million prescription drug program.

The state also ordered cuts of almost 50 percent in Medicaid payments to private nursing homes, but officials said they hope to find the money so that full payments can be made when the next bills arrive.

Bob Johannessen, spokesman for the state Department of Health and Hospitals, said the agency hopes other sources for cash can offset the cuts and eliminate any affect. He would not speculate on the source of the new revenue that the department hopes to use.

The cuts went into effect Saturday, but Johannessen said the next payments are due in April, by which time DHH hopes to have found money to make full payments.

If the cuts go through, about \$20 million in state funds would be saved, but because of federal funds that are linked to the payments, the total impact would be about \$70 million, he said.

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The department must find a way to cut \$48 million in state funds in the last four months of the fiscal year.

Johannessen said 85 percent of the nursing homes in the state are affected by the cuts going into effect Saturday.

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## **Drug Benefits Are Restored Temporarily in Oregon**

*The New York Times*

March 6, 2003

By TIMOTHY EGAN

SEATTLE, March 5 — Thousands of poor people in Oregon who were cut off from their prescription drug coverage by the state will have their medications restored, at least temporarily, under an emergency spending package the House passed and the governor signed on Tuesday.

The spending measure will restore prescription drug coverage, at least until June, for most people who lost medications after two rounds of cuts over five weeks, state officials said.

But other people who had their medications covered for drug and alcohol treatment will not have their benefits restored under the emergency spending plan, said Jim Sellers, spokesman for the Oregon Department of Human Services.

For those who are having their medications restored, it will be a wait of up to two weeks until they can be served, state officials said, because of logistical problems.

The emergency spending bill affects about 100,000 people who lost prescription drug and other benefits, Mr. Sellers said. Not all the benefits are being restored.

All 100,000 people, who were brought onto Oregon's health plan as part of an effort to provide near universal health coverage to the poor, may yet permanently lose their coverage when the stopgap money runs out in June, state leaders said.

"What we've done is just given people a little more time to find other areas of help, because we have got to reduce this program," said State Senator Beverly Clarno, the Republican leader of a chamber evenly divided between the two parties.

Mary Ellen Glynn, a spokeswoman for Gov. Theodore R. Kulongoski, a Democrat, said the governor was happy that many people were given a temporary reprieve, but she said the governor's budget proposal did not call for restoring prescription drug coverage beyond June.

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The 100,000 people lost coverage in two waves, beginning on Feb. 1, after voters turned down an attempt to raise taxes as a way to deal with budget deficits. Over the last week, as thousands of people have complained about medical and mental emergencies when their prescriptions were cut off, Oregon leaders have worked frantically to put together a temporary reprieve.

People who run mental health clinics say the emergency measure will keep some people alive and functioning. But they said the failure to restore the coverage of others would be hard on addicts who relied on methadone to stay off drugs like heroin.

"This doesn't mean much to the 2,600 people we serve who lost their benefits," said Leslie Ford, chief executive officer of Cascade Behavioral Healthcare, a private nonprofit group in the Portland area. She said further problems were being caused by health program staffing cuts. "They still cut the money for support staff, and most of our folks are unable to take their medications without the support staff."

By borrowing money from Oregon's share of the national tobacco settlement and from an education reserve fund, state leaders were able to close a \$340 million hole in the budget that hit schools, police forces, the courts and the poor.

Officials emphasized that Oregon's budget crisis was not repaired by this measure. Oregon faces a deficit of \$2 billion going into the two-year period that begins at the end of June, and the state is in a severe recession, with unemployment at 7.5 percent.

"We're in an unprecedented situation here," said Mike Beard, spokesman for Oregon Senate Republicans. "We're in a crisis, and everything is up in the air."

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### **Seniors Misusing Meds, to Ill Effect**

*Newsday*

March 5, 2003

By Delthia Ricks.

Many people over age 65 take their medications improperly, setting themselves up for adverse reactions that can be deadly, doctors report in a study released today.

More than 90 percent of all people 65 and older take at least one medication a week and nearly 40 percent take five or more drugs weekly, according to a team of Boston researchers reporting in today's *Journal of the American Medical Association*.

Most of the drugs are highly potent, regulating an array of vital bodily functions from heart rhythm to cholesterol levels to blood pressure.

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With consumption of so many pills, drug errors are inevitable, said Dr. David Bates, chief of internal medicine at Brigham and Women's Hospital and the study's lead investigator. Bates says avoiding drug errors, such as misdosing and interactions with other drugs, requires efforts by both doctors and patients.

"What we found is that there are about 50 adverse drug events for every 1,000 people every year. Statistically that's a significant number of people who are clearly struggling to understand and maintain their prescription regimens," Bates said.

Bates' team found that most drug errors - 60 percent - occurred as a result of doctors failing to monitor patients after prescribing a medication. Patients' failing to follow medication instructions proved a factor in 21 percent of preventable adverse events.

Working with researchers from the University of Massachusetts, Bates also estimated that among Medicare patients there are more than 190,000 adverse drug reactions annually in a patient population of 38 million people nationwide.

The research team arrived at those numbers by extrapolating data from their own study of 30,000 Medicare recipients in New England. The team identified 1,523 adverse drug events during the 12-month study. Twenty-seven percent were preventable.

Additionally, 38 percent of the adverse events were considered serious, life-threatening or fatal. Forty-two percent of the most harmful events were considered completely avoidable, Bates said.

"It is not infrequent that medications will have two different names and people will start taking a double dose of the same medication," Bates said.

A key and potentially deadly instance of this, Bates said, is with the powerful heart drug historically known as digitalis and sold generically today as digoxin as well as by the brand name, Lanoxin.

Bates and colleagues are calling for computerized prescribing systems that flag errors and cite potentially adverse reactions for patients taking multiple drugs.

Patients, he added, also can help prevent adverse events. "Patients should keep track of what medications they are taking and know what the medications are for, and use strategies like pill organizers to know when to take their medicines," Bates said.

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