



# WINTER 2018 POLICY REPORT

Linking scientists, clinicians and policymakers to help improve cardiovascular health and decrease heart disease and stroke mortality.

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Chair, Advocacy Coordinating Committee

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# LETTER FROM THE CHAIR

It is my pleasure to present the first Policy Report of my term as the Chair of the association's Advocacy Coordinating Committee. The four pieces showcased in the Report are illustrative of the wide breadth of issues the association actively engages in and shapes, not only across topics, but also among levels of government. The Report includes a new analysis, *Distribution of Sugar Content in Sugary Drink Purchases in the U.S.: Implications for Tiered Taxation*, that examines sugary beverage consumption and the current product portfolio to inform tax campaigns. Greater cardiovascular disease prevention and healthy lifestyle promotion, including supporting policy approaches to reduce sugary beverage consumption, remains a priority of the association and the use of a tiered tax that focuses on both sugar content and volume, is a promising approach in achieving that goal. A new *Presidential Advisory, Principles on the Accessibility and Affordability of Drugs and Biologics* helps frame the ongoing healthcare spending debate in support of patients in addressing rising drug costs and the associated adverse health impacts that can consequently occur. Treatment advances have given new hope to millions of heart disease and stroke patients, but that hope could be lost if they don't have affordable access to lifesaving therapies. *State Cardiovascular Health Programs: A Guide to Core Infrastructure, Activities and Resources, Recommendations from the American Heart Association*, provides the much-needed guidance for states in expanding the capacity and reach of their CVD prevention and control programming and helps state officials identify possible ways to help fund these initiatives. And last, but not least, *Government Continues to Have an Important Role in Promoting Cardiovascular Health*, examines how government investment in research has promoted ideal cardiovascular health and can now promote the development of new and effective approaches to both cardiovascular health and better disease management. As poor public health metrics threaten to erode the tremendous gains in life expectancy achieved in recent decades, government investment in population health, research, surveillance, economic development, clinical outcomes, quality measures, and access to care are critically important.

As always, we welcome your comments on the association's new work, as well as ways that we may best ensure it is reaching our partners. I look forward to our Spring Policy Report that will include forthcoming policy research on topics including caregiving and stroke systems of care.

Sincerely,

Robert Harrington, MD  
Chair, Advocacy Coordinating Committee

*“The four pieces showcased in the Report are illustrative of the wide breadth of issues the association actively engages in and shapes, not only across topics, but also among levels of government.”*

## HOW TO USE THIS REPORT

- Use data from the policy report in your organization's internal communications to support statements regarding cardiovascular disease (CVD).
- Send a copy to your professional contacts in the public, private and nonprofit sectors who support the Association's mission or have a stake in cardiovascular health.
- Share with your connections in local media markets by referencing how Association policy translates into improved health outcomes and can be tied to broader health policy issues.
- Use social media icons to quickly share policy updates and statistics with your network.



# GOVERNMENT CONTINUES TO HAVE AN IMPORTANT ROLE IN PROMOTING CARDIOVASCULAR HEALTH

*“The maintenance and improvement of the health of its citizens is a foundational responsibility of government and essential to the common good of our nation and the future well-being of our republic.”*

Government investment has facilitated remarkable advances in cardiovascular science and medicine. It is vitally important that government engagement and investment continue as the US population faces unprecedented rates of obesity, diabetes, hypertension, sedentary behavior and poor diet. Importantly, health disparities are increasing by geography, race/ethnicity, and income. These poor health metrics threaten to erode the tremendous gains in life expectancy achieved in recent decades. Government investment in population health, research, surveillance, economic development, clinical outcomes, quality measures, and access to care are critically important. *Government Continues to Have an Important Role in Promoting Cardiovascular Health*<sup>1</sup> examines how government investment in research has promoted ideal cardiovascular health and can now support the development of new and effective approaches to both cardiovascular health and better disease management for all. The paper responds to the commonly raised concerns of paternalism regarding government intervention and outlines the potential benefits and risks to society of government-industry partnerships and industry initiatives that may supplement government efforts in improving cardiovascular health.



<sup>1</sup> Tomaselli G, et al. Government continues to have an important role in promoting cardiovascular health. *American Heart Journal* (2018), <https://doi.org/10.1016/j.ahj.2017.11.002>.



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## 3 THINGS TO KNOW

### 1

The federal government and many state governments have the constitutional authority to enact, implement and enforce laws to protect the health of their citizens. In the exercise of that authority, federal, state, and local governments play a critical role in scientific discovery; healthcare financing; delivery and quality of care; drug and device approval and regulation; prevention and population health; and food and water safety.

### 2

Government investment in biomedical research has been central to reducing the prevalence and progression of chronic disease, and thereby preserving and promoting human capital and productivity particularly later in life. The U.S. death rate for coronary disease is 60% lower—and for stroke, more than 70% lower—and than three generations ago, a result of both improved acute treatment of heart disease and enhanced preventive measures that result from this research.

### 3

Often, government's role is to do what the private sector cannot or will not do to prioritize the welfare of the nation's population.

# STATE CARDIOVASCULAR HEALTH PROGRAMS: A GUIDE TO CORE INFRASTRUCTURE, ACTIVITIES AND RESOURCES, RECOMMENDATIONS FROM THE AMERICAN HEART ASSOCIATION

In recognition of the continued public health crisis that cardiovascular disease (CVD) poses, the American Heart Association, convened an expert panel of cardiovascular, budgetary, and public health experts to advise it on developing a guide for state health departments and CVD prevention and control programs to improve cardiovascular health in their jurisdictions. The guide and its recommendations entitled *State Cardiovascular Health Programs: A Guide to Core Infrastructure, Activities and Resources, Recommendations from the American Heart Association*<sup>1</sup> focus on expanding the capacity and reach of CVD prevention and control programming at the state level and helping state officials identify possible ways to help fund these initiatives. The recommendations in the guide are divided into three subsections.

*“Given the high cost, both physical and economic, of CVD in the United States, it is imperative that states make a concerted and sustained effort to create, support, and expand CVD prevention and control programming.”*

**Core Department of Health Infrastructure:** For state health departments to effectively implement key activities, all states should have a dedicated CVD prevention and control program with adequately trained staff working in a full-time capacity. It is also necessary for a state to have organizational capacity to carry out key CVD related activities. The full report lays out the components of core infrastructure that the association recommends all state departments of health have.

**Key Activities for a State CVD Prevention and Control Program:** The association recommends that a CVD prevention and control program conduct a number of key activities to advance cardiovascular health, in the areas of primary and secondary prevention, as well as surveillance and monitoring.

**Sustainable Funding for CVD Prevention and Control Efforts:** In addition to allocating state budget dollars, states should aggressively identify ways to leverage multiple resources to help support CVD prevention and control initiatives. Among the resources that the report recommends states could explore to complement current funding for CVD prevention and control efforts include social impact bonds, active transportation initiatives, hospital community benefit, agriculture extension funding, and foundations and other public-private partnerships.



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<sup>1</sup> American Heart Association. State Cardiovascular Health Programs: A Guide to Core Infrastructure, Activities and Resources, Recommendations from the American Heart Association. January 2018.

## 3 THINGS TO KNOW

**1** More than one in three U.S. adults suffers from CVD in some form. If trends continue unchecked, this figure is projected to rise to 43.9 percent of U.S. adults by 2030.

**2** CVD also creates a sizeable economic burden in the United States. Projections show that by 2035, direct costs of CVD will increase to \$749 billion, and indirect costs will increase to \$368 billion, for a total estimated impact of \$1.1 trillion per year.

**3** State Health Departments are core leaders in CVD prevention and manage critical programs and services for communities throughout the country. It's critical for state health departments to have core infrastructure to support activities and be adequately funded in order to implement effective strategies.



# PRESIDENTIAL ADVISORY: AMERICAN HEART ASSOCIATION PRINCIPLES ON THE ACCESSIBILITY AND AFFORDABILITY OF DRUGS AND BIOLOGICS

Current and projected levels of healthcare spending have raised serious concerns by policy makers, providers, payers, and patient groups that they are unsustainable and threaten the affordability of, and accessibility to, much needed therapies for patients. The approval of two PCSK9 inhibitors for hypercholesterolemia, alirocumab and evolocumab, and another drug for heart failure, sacubitril/valsartan, have focused attention on the price of specialty therapies for cardiovascular disease. At the same time, prices for some established generic drugs, such as digoxin and captopril, have seen sharp, and rapid increases. For example, between 2013 and 2014, the prices for digoxin and captopril increased 894% and 129% respectively.<sup>1</sup>

The reasons for these increases are seen by many as symptomatic of underlying problems in the marketplace – complex and expensive approval process with high levels of fail rates and a patent system that incents the use of loopholes to extend market exclusivity – as well as a lack of clarity of the costs factored into a drug's cost, added costs from actors across the supply chain, and the US's lack of government oversight or regulation of prescription drug pricing. In the generic market, analysts point to lack of competition and long approval times for new products.

The lack of medication affordability, therefore, threatens to have detrimental effects on patients' health and limit the American Heart Association's achievement of its population impact goal. Additionally, disparities of care are potentially exacerbated by placing many drugs beyond the financial reach of low income and average-wage families, and perpetuating a system of 'haves' and 'have nots.'

In this way, the association determined that solutions must be found to address the unsustainable spending that is occurring for drugs and biologics, and to develop a process by which resources may be allocated to support medical innovation while ensuring appropriate access to, and availability of, treatments to patients who have or at risk of cardiovascular disease and stroke. In this Presidential Advisory, the association developed a set of principles, laid out in its *Principles on the Accessibility and Affordability of Drugs and Biologics*<sup>6</sup> to guide its advocacy and help frame the ongoing debate in support of patients in addressing rising drug costs and the associated adverse health impacts that consequently occur.



Cite



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<sup>1</sup> Centers for Medicare and Medicaid Services. National Average Drug Acquisition Cost. Accessed July 19, 2017 at: <https://data.medicare.gov/Drug-Pricing-and-Payment/NADAC-National-Average-Drug-Acquisition-Cost-/a4y5-998d>. Author calculations applied.

<sup>2</sup> DiMasi JA, Grabowski HG and Hansen RW. Innovation in the pharmaceutical industry: New estimates of R&D costs. *J Health Econ.* 2016;47:20-33.

<sup>3</sup> Adams C, Brantner VV. Spending on new drug development. *Health Econ* 2010;19:130-141.

<sup>4</sup> Kaiser Family Foundation. Kaiser Health Tracking Poll: August 2015. Accessed October 25, 2016 at: <http://kff.org/health-costs/poll-finding/kaiser-health-tracking-poll-august-2015/>

<sup>5</sup> Eaddy MT, Cook CL, O'Day K, Burch SP and Cantrell CR. How patient cost-sharing trends affect adherence and outcomes: a literature review. *Pharmacy and Therapeutics.* 2012;37:45-55.

<sup>6</sup> Antman EM, Creager MA, Houser SR, Warner JJ, Konig M; on behalf of the American Heart Association. American Heart Association principles on the accessibility and affordability of drugs and biologics: a presidential advisory from the American Heart Association. *Circulation.* 2017;xxx:eXXX-eXXX. doi: 0.1161/CIR.0000000000000551.

## 3 THINGS TO KNOW

1

The Tufts Center for the Study of Drug Development estimates that the cost of bringing a new drug to market is \$2.6 billion.<sup>1</sup> Others estimate that it falls between \$800 million and \$1 billion.<sup>2,3</sup>

2

According to a 2015 Kaiser Family Foundation Health Tracking Poll, 24% of respondents who were currently taking a prescription medication reported that they or a family member had not filled a prescription because of cost, and 19% reported that they or a family member had cut pills in half or skipped doses of their medication.<sup>4</sup>

3

A 2012 literature review found that increased cost sharing by patients decreased medication adherence in 85% of the studies reviewed and adversely affected health outcomes in 76% of the studies.<sup>4</sup>

# TIERED TAXATION FOR SUGARY DRINK PURCHASES

Greater cardiovascular disease prevention and healthy lifestyle promotion including supporting policy approaches to reduce sugary beverage consumption remains a priority of the American Heart Association. Recommendations for U.S. policymakers on a tiered tax system for sugary beverages based on beverage sugar concentration and current beverage consumption have been developed from *Distribution of Sugar Content in Sugary Drink Purchases in the U.S.: Implications for Tiered Taxation*.<sup>1</sup>

A tiered taxation approach taxes beverages at different rates depending on sugar content, levied per beverage volume.

Taxation tiers provide incentives for consumers to switch to beverages with less sugar and for the beverage industry to reformulate products to reduce beverage size and reduce added sugar content per serving.

**Recommendations:**

Analysis of U.S. sugary beverage sales per sugar concentration revealed three consumption clusters at 25-32 grams, 18-20 grams, and 12-15 grams of sugar per 8-ounce serving. Tax tiers were developed based on consumption clusters and the beverage composition of each cluster, suggesting three to four sugary beverage tax brackets based on sugar content.

Taxation Tiers Based on Sugar and Calories from Sugar Concentration in 8- and 12-ounce Beverage Servings				
TIERS	FIRST (LOWEST)	SECOND	THIRD	FOURTH (HIGHEST)
Sugar (g) per 8-oz	0 to <5	5 to <10	10 to <20	More than 20
Sugar (g) per 12-oz	0 to <7.5	7.5 to <15	15 to <30	More than 30
Calories from sugar per 8-oz	0 to <20	20 to <40	40 to <80	More than 80
Calories from sugar per 12-oz	0 to <30	30 to <60	60 to <120	More than 120
Beverage Examples	Unsweetened or Diet Tea, Water and Sparkling Water, Unsweetened (black) Coffee, Diet or Very Low Sugar Sodas	Lightly Sweetened Coffees, Kombucha, Some Lightly Sweetened Juices, Teas, and Energy Drinks	Lightly Sweetened Teas, Lightly Sweetened Sodas, Sports Drinks	Fruit-Flavored Drinks, Regular Sodas, Energy Drinks

\*Second and third tiers may be combined to create a three-tiered taxation strategy



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<sup>1</sup> Powell, L.M., Andreyeva, T., Isgor, Z., Distribution of Sugar Content in Sugary Drink Purchases in the U.S.: Implications for Tiered Taxation. 2017

## 3 THINGS TO KNOW

**1** A sugary drink price increase of at least 20% from tiered taxes would lead to an expected reduction in sugary beverage consumption up to 20-25%.<sup>1</sup>

**2** A tiered taxation approach provides economic incentives for consumers to switch to beverages with less sugar and for the beverage industry to reformulate products to reduce added sugar content and beverage size.

**3** U.S. sugary beverage analysis suggests three or four taxation tiers.