

BUSINESS

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Kaiser Permanente rules out Viagra coverage

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NEW YORK — Kaiser Permanente, the nation's largest HMO, has decided not to cover Viagra; saying it's too expensive and not a medical necessity.

Kaiser's action yesterday made the 9.1 million-member health maintenance organization the latest major health care provider to refuse to cover the popular drug. Earlier this week, Aetna U.S. Healthcare, a health insurer that

covers nearly 14 million people, said it wouldn't pay for Viagra.

Since its debut in early April, Viagra has become the fastest-selling drug in history, with 2 million prescriptions written at \$8 to \$10 a pill.

Many insurance companies are still determining their policies on Viagra, and those that do pay for it have imposed limits on the number of pills they will cover — in many cases, six or eight a month.

"We recognized the drug's potential for abuse and the financial

impact that misuse of this drug would have on our community's health care costs," said Richard Dent, chief medical officer of Blue Cross and Blue Shield of Rochester, N.Y. It will cover six pills a month for patients who have endured impotence for at least six months.

IMS America, a consulting group that tracks the drug industry, has estimated that half of the men taking Viagra are reimbursed at least partially.

Kaiser said it decided not to

cover Viagra because of the cost and because a panel of doctors, pharmacists and ethicists drew a distinction between "quality-of-life" treatments and drugs deemed medically necessary.

Kaiser, recovering from a \$270 million deficit last year, estimated that national coverage of 10 Viagra pills per month would cost it at least \$100 million per year. That would dwarf the \$59 million Kaiser spent last year on all antiviral drugs, including protease inhibitors for the AIDS virus.

"We could, of course, build the cost of Viagra into everyone's premium, but is that the right thing to do?" asked Dr. Francis J. Crosson, executive director of the Permanente Federation, the HMO's corporate parent.

A poll released yesterday by an unrelated organization, Kaiser Family Foundation, found that 49 percent of Americans feel Viagra should be covered by prescription plans. Forty percent said they believe it should not be covered, and 11 percent aren't sure.