

# Payments for impotence pill limited

## Some insurers put conditions on reimbursements

By DAVID J. MORROW  
The New York Times

Fearing huge payouts to millions of American men, several large insurers are adopting strict reimbursement policies for Viagra, Pfizer Inc.'s new pill for impotence, requiring proof of a medical cause for the problem and setting limits on the number of pills.

Experts think these preliminary standards, which are being developed amid a frenzy of interest in the new drug, will quickly evolve into a national pattern for Viagra repayment policies. Insurers have been wrestling for weeks with how to cover the drug without paying the claims of men who do not suffer from physical ailments or diseases that are known to cause impotence.

For example, men who are covered by Wellpoint Health Networks in California will not be reimbursed for the prescription unless they have a doctor's written statement that they suffer from erectile dysfunction.

Cigna Healthcare, which covers 15 million people nationwide, announced yesterday that for men to qualify for Viagra coverage until permanent rules are established they must have a "pre-existing document-

ed condition of organic impotence, which is currently being treated by other medical means."

Once those tough conditions are met, Cigna will pay for only six pills a month. Patients will have to pay the cost out of their own pocket for any more.

Later this week, Kaiser Permanente, one of the nation's largest health maintenance organizations, is expected to introduce a policy similar to Cigna's. But to control its costs even further, Kaiser will reimburse patients for only 50 percent of the cost of Viagra, instead of the traditional 80 percent.

**IN GENERAL**, a single dose of Viagra costs about \$10 at pharmacies, although some charge considerably more. Men can safely take one dose a day.

"What we're seeing is insurers requiring three things," said Kenneth Abramowitz, a health care analyst at Sanford C. Bernstein & Co. in New York. "Insurers will only pay if the impotence has a medical cause. Second, insurers will ask the physician to write a note verifying that the patient is impotent. And then, I expect most insurers to put a limit on the number of pills per month."

The restrictions have not come as a surprise to health care professionals. Viagra is being treated like other impotence drugs, which are subject to the same restrictions, they said.

Since its introduction in late March, Viagra has had one of the

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most successful debuts in pharmaceutical history. During the week ended April 17 — the latest statistics available — 113,000 new prescriptions for Viagra were written, roughly 20,000 a day, according to IMS America, a health care information company. Most new drugs average 1,000 to 3,000 new prescriptions a week.

Meanwhile, Pfizer, whose stock has been one of the hottest in the pharmaceutical industry since Viagra's debut, has been pushing insurers to treat Viagra like most other prescription drugs.

"Our position is that when a doctor is treating a medical condition and he prescribes Viagra, we hope that it would be broadly covered," said Andrew McCormick, a Pfizer spokesman. "We also hope that Viagra will be covered irrespective of the

cause of the erectile dysfunction, meaning psychological causes as well as medical."

**WHAT MAY** be most worrisome to Pfizer is the pattern of coverage that is evolving. Like Kaiser Permanente, Wellpoint will pay only for erectile dysfunction claims of men whose ailment is caused by a physical illness. These include diabetes and high blood pressure but exclude psychological causes, including the use of some antidepressants that can lower sex drive.

"Many of the men whose erectile dysfunction is caused by a medical condition are already being treated," said Robert Seidman, vice president of Blue Cross of California, the California operating unit of Wellpoint. "We cover that, so we wanted to continue that policy. We can also check to make sure the claims are legitimate by looking in the computer to see if the patient is being treated for the medical condition."

Insurers insist that they have little choice but to scale back the reimbursement amount to 50 percent to help prevent widespread insurance fraud. That is one of the few ways, they say, to discourage millions of men who simply want the pill to improve their sexual performance from pressing their doctors to lie about the reasons for demanding Viagra.