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Studies Uncover High and Often Overlooked Costs Associated with Epilepsy

Prevalence of Comorbidities Can Result in Significant Costs to Third-Party Payors

[Seattle] (April 29, 2009) — Employees with epilepsy cost healthcare insurers and employers significantly more than those without the condition, according to findings from two studies presented here today at the American Academy of Neurology (AAN) Annual Meeting.

"These findings suggest that the true cost of epilepsy to third-party payors may often be underestimated when looking only at costs directly related to epilepsy," said Susan Caleo, Director of Health Economics and Neurology at Johnson & Johnson Pharmaceutical Services, Inc. (JJPSI). JJPSI sponsored the study in collaboration with Ortho-McNeil Neurologics®, Division of Ortho-McNeil-Janssen Pharmaceuticals, Inc.

"In particular, the studies suggest that perhaps most overlooked among those with epilepsy are the costs associated with comorbidities, particularly mental health disorders," Caleo noted. "These findings underscore the need for physicians to treat the whole patient, beyond seizure control."

The first study was a 12-month retrospective analysis of the total cost of epilepsy to third-party payors, including insurers and employers. The study found that compared to those without the condition, people with epilepsy reported higher rates of mental disorders, substance abuse and other neurological and physical disorders.

Findings also noted that in people with epilepsy, the costs to third-party payors of these comorbidities, coupled with the condition itself, can be significant. The study compared the direct cost for the insurers among people with and without epilepsy, and found that on average,



direct annual costs for third-party payors, such as medical and pharmaceutical costs, were nearly three times higher in people with epilepsy than those without the condition.

The second study analyzed indirect third-party payor epilepsy costs, such as disability and medically-related absenteeism. These expenses were more than three times higher in employees with the condition than those without epilepsy.

Detailed findings

- Expenses related to other health issues, excluding epilepsy, in patients with epilepsy
 accounted for 80 percent of insurers' total annual costs for epilepsy patients. Of that, 13
 percent were attributable to mental health-related expenditures.
- Insurers' direct annual medical costs were nearly \$6,400 higher on average per epilepsy patient than for those without the condition.
- Outpatient services accounted for 34 percent, inpatient services for 28 percent and drug costs for 27 percent of epilepsy patients' annual direct costs to insurers.
- Employees with epilepsy were more likely to have a short- or long-term disability claim resulting in 32 more disability days, and nearly \$1,500 more a year in annual disability costs than those without the condition.
- Employees with epilepsy had six times the number of annual disability days compared to those without the condition.

The data were presented as two abstracts: one that looked at the direct costs of people with epilepsy, and one that analyzed the indirect costs of those with epilepsy.

The Indirect Cost Burden of Epilepsy in the United States

The study looked at 1,866 people with epilepsy in 2004, ages 18-64 years, selected from a privately insured claims database containing disability data from 17 US companies, and compared with a similar age/gender control group without epilepsy. All were required to have continuous health coverage during 2004 (baseline) and 2005 (study period). The baseline differences between the groups were controlled in the analysis using appropriate statistical techniques.



Epilepsy Cost of Illness in the US Privately Insured

4,323 epilepsy patients, ages 16-64 years, were selected from a privately insured claims database with more than six million beneficiaries. The control group was an age and gender matched cohort of randomly chosen beneficiaries without epilepsy. All were required to have continuous health coverage during 2004 (baseline) and 2005 (study period). The baseline differences between the groups were controlled in the analysis using appropriate statistical techniques.

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