

High Co-Pays Cause Seniors to Go Without Meds

WEDNESDAY, Sept. 5, 2007 -- Seniors enrolled in Medicare plans that charge higher co-pays for brand name or non-preferred medications fill almost 15 percent fewer prescriptions than their peers who have a flat co-pay for all prescription medications, a new study finds.

The data highlights a tough decision for older Americans: Spend more or skip some of their medicines, including those for chronic diseases such as diabetes and high blood pressure.

"Consumers are sensitive to price. When they have to pay more, they tend to consume less," senior researcher Boyd Gilman said in a prepared statement.

Gilman and colleagues at Cambridge, Mass.-based Mathematica Policy Research Inc, analyzed spending on prescription drugs among almost 353,000 Medicare beneficiaries with employer-sponsored retiree drug coverage.

They compared spending by those in single-tiered plans to those in three-tiered prescription drug plans. Three-tiered plans charged retirees higher co-pays for using drugs that were not generic or preferred name brands, or that were less obviously medically necessary, whereas single-tier plans charged a flat \$5 or \$10 co-pay for all prescribed medications.

Writing in the online September issue of *Health Services Research*, the researchers reported that people enrolled in three-tiered plans spent 14.3 percent less on prescriptions and filled 14.6 percent fewer prescriptions compared to their peers with single-tier plans. Those in three-tiered plans typically relied on generics when they purchased medications, reported Gilman.

The data also showed that people with three-tiered plans had 57.6 percent higher out-of-pocket costs and filled 11.5 percent fewer prescriptions for ongoing medical needs such as diabetes, arthritis and high blood pressure.

"The use of prescription medications is fairly predictable. People know what drugs they need, and they can find out whether their drugs are covered by a plan, and -- if they are covered -- whether they belong to a lower-cost tier or a higher-cost tier," Gilman said.

SOURCE: Health Behavior News Service, news release, Sept. 5, 2007