

Americans pay the most for prescription drugs and still don't take them

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An international study of dialysis patients shows that although U.S. residents have the highest out-of-pocket drug costs, even those who can afford their prescription drugs are far less likely to take them than patients in other countries.

The new research from the University of Michigan School of Public Health and the Arbor Research Collaborative for Health found that high out-of-pocket drug costs are only a partial reason why fewer American dialysis patients took their medications than in other countries, said Richard Hirth, professor at the U-M School of Public Health.

"There is something about Americans that make them more noncompliant with their drugs even when you leave out the higher cost of the drugs," said Hirth, who co-authored the paper with Scott Greer, assistant professor at the School of Public Health. "The study looked at drug costs and adherence in hemodialysis patients from 12 developed countries participating in the Dialysis Outcomes and Practice Patterns Study.

Dialysis patients in the United Kingdom enjoyed the lowest out-of-pocket spending, at \$8 per month, compared to \$114 per month in the United States. The percentage of people who did not adhere to their drug regimens because of cost ranged from 3 percent in Japan to 29 percent in the United States---a percentage higher than expected, even accounting for the high cost of U.S. prescriptions, Hirth said.

Hirth and Greer simulated the impact of prescription drug coverage under Medicare Part D, implemented after the survey, and determined that U.S. out-of-pocket burdens would remain high by international standards, though no longer the highest, with the projected U.S. burden falling below that of Swedish patients. Nonetheless, they projected that although non-adherence would decline after the implementation of Part D, it would still remain well above that in any other country in the sample. Thus, the high non-adherence rate in the United States is only partially explained by high out-of-pocket costs, Hirth said.

So, the researchers examined features of health policy across these 12 countries that might modify the relationship between out-of-pocket costs and non-adherence. There is some suggestion in the data that, in addition to modifying the absolute out-of-pocket burden, policies that craft exemptions from co-payments for targeted subpopulations may be particularly effective at reducing non-adherence.

Dialysis patients are the perfect study population because the condition and the treatment---kidney failure and dialysis---are similar everywhere, Hirth said. Prior research on drug adherence has almost always focused on data from a single country or has been based on different data sources across countries, obscuring the contributions of policy to any observed differences.

A recent survey showed that drug prices in the United States are 6 percent to 33 percent higher than in other industrialized countries, with only Japan having higher prices. There are two ways to control drug costs: regulate the price directly or via negotiation, and set the mechanism for how people pay, such as a co-pay or flat fee, and how you define who has to pay.

"Since we don't control the costs directly, we rely very heavily on out-of-pocket costs," Greer said. "If you can't control prices, you need to

control the co-pays."

Source: University of Michigan

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