

## BUSINESS

### Lowering or eliminating co-pays boosts medication adherence

■ Researchers say more studies are needed to determine whether removing financial barriers would save money by preventing costly illnesses.

By EMILY BERRY ([HTTP://WWW.AMEDNEWS.COM/APPS/PBCS.DLL/PERSONALIA?ID=EBERRY](http://www.amednews.com/apps/pbcs.dll/personalia?id=eberry)) — Posted Nov. 15, 2010

Eliminating a patient's prescription co-pay can boost chances that the patient will follow doctor's orders and keep taking the drug, according to research in the November issue of *Health Affairs*.

The two studies examining co-pay lowering were part of a series of articles that brought together some of the first hard numbers associated with what is known as value-based insurance design -- using a financial carrot-and-stick approach to guide patients' health care decisions.

The studies reported that lowering or eliminating co-pays boosted adherence to medication by as much as 4%, compared with control groups that continued to pay larger co-pays.

Researchers said that since the improvement was modest, it's unclear whether the cost of eliminating or lowering cost-sharing would end up saving money in the long run by preventing costly illness. The results, however, were encouraging to researchers, because they affirmed what supporters of value-based insurance design believe: Removing financial barriers can promote healthier behavior.

Value-based insurance design, its proponents say, encourages patients to make wise decisions for their health -- like taking medicine as directed -- by making good choices cheaper or free, or making not-as-good choices more costly.

The *Health Affairs* issue was sponsored in part by the California HealthCare Foundation, which funds programs that support greater efficiency, quality and transparency in health care.

In principle, "physicians should endorse a benefit design that encourages patients to do the things doctors beg them to do," said Mark Fendrick, MD, a professor at the University of Michigan Medical School and co-director of the university's Center for Value-Based Insurance Design.

Dr. Fendrick's paper in the issue argues that value-based insurance design should give patients a financial incentive -- usually a waived co-pay -- to seek "appropriate" or "evidence-based" care and a disincentive -- usually higher cost-sharing -- for care deemed inappropriate or unnecessary.

It's much less politically risky to eliminate co-pays for services or medicine proved to be effective than to increase the cost of ineffective care, said Niteesh Choudhry, MD, PhD, an assistant professor of medicine at Harvard Medical School in Boston who co-wrote two other papers in the *Health Affairs* issue.

He agreed with Dr. Fendrick's argument. "It's way harder to say, 'OK this doesn't work,' and to take it away. But that's really where the action needs to be for this idea to move forward," Dr. Choudhry said.

One of his papers and another study in the issue found that eliminating co-pays increased prescription drug adherence.

Dr. Choudhry and his colleagues studied employees of the mail and communication services company Pitney Bowes, whose co-pays for cholesterol-lowering statins and the blood clot inhibitor clopidogrel were eliminated.

Adherence for patients on statins improved by 2.8%, a difference that was sustained a year later. Patients on clopidogrel showed 4% better adherence to their drug regimen than control patients.

The differences, though modest, support the idea that financial incentives matter when patients make health decisions.

Health benefit design that supports adherence to treatment plans is a logical accompaniment to pay-for-performance programs that reward physicians for helping patients meet health goals, Dr. Choudhry said.

Or, as Dr. Fendrick put it, "Don't tell me I'm not getting my diabetics under control when the patients have to pay \$50 a vial for insulin."

Dr. Choudhry said the next step is to find out whether there is long-term savings from programs like the one Pitney Bowes sponsored and to quantify it if there is.

"What we don't yet know from this data is whether they are in fact a good return on investment," he said.

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#### **EXTERNAL LINKS**

"Copayment Reductions Generate Greater Medication Adherence In Targeted Patients," *Health Affairs*, November (link: <http://content.healthaffairs.org/cgi/content/abstract/29/11/2002/> )

"At Pitney Bowes, Value-Based Insurance Design Cut Copayments And Increased Drug Adherence," *Health Affairs*, November (link: <http://content.healthaffairs.org/cgi/content/abstract/29/11/1995/> )

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