

# Reducing drug funding to Medicare patients will lead many to stop taking their medications

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The lack of financial assistance to cover the cost of drugs to Medicare beneficiaries (the US government's health insurance program for people aged 65 or over, which currently covers 50 million US citizens) could result in an additional 18,000 patients discontinuing one or more prescriptions for essential drugs a year—a 100% increase—and others to not take their required medications regularly.

These findings, from a study led by Jennifer Polinski from the Brigham and Women's Hospital, in Boston, USA, and published in this week's *PLoS Medicine*, also show that although the Centers for Medicare and Medicaid Services advised [patients](#) to consider switching to generic or low-cost drugs, in reality, lack of financial assistance resulted in a decrease in drug switching.

The authors used data from 663,850 [Medicare beneficiaries](#) who made prescription claims in 2006-2007 to examine the impact of government policy on essential medication use: In 2006, the government introduced a prescription drug [insurance](#) benefit called Medicare Part D to help patients pay for their drugs although patients had to pay all their drug costs after their drug spending reached an annual threshold (\$2830 in 2010). Beneficiaries remained in this so-called coverage gap (3-4 million [Medicare](#) Part D beneficiaries reach the coverage gap every year) until their out-of-pocket spending reached a catastrophic coverage spending threshold (\$4550 in 2010) but the 2010 US health reforms have

mandated a gradual reduction in the amount that eligible patients have to pay for their prescriptions once they reach the threshold (coverage gap).

Although this study did not directly investigate the effect of the coverage gap on patient outcomes, these findings suggest that this blunt cost-containment approach could adversely affect health outcomes through their negative effects on medication use. The authors say: "Blunt cost-containment features such as the coverage gap have an adverse impact on drug utilization that may conceivably affect health outcomes."

They continue: "In contrast to blunt cost-sharing approaches such as the coverage gap feature, more nuanced, clinically informed insurance strategies that specifically promote the use of drugs with high benefit and low cost may hold the most promise for governments and insurers seeking to improve the health of their citizens while reigning in drug costs."

**More information:** Polinski JM, Shrank WH, Huskamp HA, Glynn RJ, Liberman JN, et al. (2011) Changes in Drug Utilization during a Gap in Insurance Coverage: An Examination of the Medicare Part D Coverage Gap. PLoS Med 8(8): e1001075.  
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