

Are parents price-sensitive about their children's medication?

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Health insurance policies that shift costs to patients through higher co-payments may have serious unintended consequences for children, including less use of effective treatments and an increased number of hospitalizations, according to a new study in *JAMA* by researchers from the Schaeffer Center for Health Policy and Economics at USC.

In a sample of 8,834 patients from across the United States, the researchers looked at how out-of-pocket medication costs affect [health outcomes](#) for children. Larger co-pays have been associated with reduced medication use in adults, but the study is a rare look at whether price sensitivity for [health care](#) applies when families are making decisions for their children.

"Health care plans have increasingly sought to restrain prescription medication spending by shifting costs to patients. But our study shows cost sharing may have social consequences for children who rely on the purchasing decisions of their parents, as well as wider [health care costs](#), including a significant increase in hospitalizations," said co-author Dana Goldman, director of the Schaeffer Center at USC and Norman Topping Chair in Medicine and Public Policy at the USC Price School of Public Policy and the USC School of Pharmacy.

The researchers looked at treatment for asthma, the leading chronic disease among children. For children under the age of five, larger out-of-pocket costs did not affect whether parents bought the prescribed medication, according to the *JAMA* study appearing in the journal

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But for children older than five, parents who had to pay more for medication were slightly less likely to fill their child's prescription. Older children whose parents had the highest co-pays were also about 30 percent more likely to be hospitalized with an asthma-related condition than children whose parents paid the least for asthma medication.

"We didn't know if children are vulnerable to the same cost pressures for health care that we've seen in studies with adults — an important issue since children with chronic illnesses are especially vulnerable to the underuse of effective [medical](#) therapies, which can have lifelong implications," said co-author Geoffrey Joyce, director of [health policy](#) at the Schaeffer Center at USC and associate professor of pharmaceutical economics and policy at the USC School of Pharmacy. "This study shows that for children over the age of five, higher cost sharing is associated with modestly lower use of medications for the treatment of persistent asthma, though the effects are smaller than what we've observed with adults in prior work."

The researchers limited their sample to children with access to health care and with persistent asthma requiring long-term care. All children in the study sample were prescribed long-term asthma control medication for the first time during the study period and had access to health care through a private insurance plan.

"Barriers to health care clearly exist for uninsured children, but the association of greater medical cost sharing with the health care decisions insured families make for their children has been overlooked," said co-author Anupam Jena, senior fellow at the Schaeffer Center at USC and a resident at Massachusetts General Hospital, Harvard Medical School.

For patients requiring long-term help controlling persistent asthma,

medication guidelines recommend daily, year-round use to minimize lifelong problems. Children over the age of five whose parents had to pay the most for [asthma medication](#) had prescriptions filled to cover only 41.7 percent of recommended use, about five days less of medication per year than children whose parents had the lowest co-pays.

"Our finding that greater out-of-pocket [medication costs](#) was not associated with lower medication use among younger children suggests that [parents](#) may be less sensitive to cost for younger children, or may play a more active role with younger children," said Pinar Karaca-Mandic, assistant professor in the University of Minnesota School of Public Health and lead author of the study. "Ultimately, our study suggests that greater [prescription medication](#) cost sharing among [children](#) with asthma may lead to slight reductions in use of important medications and more frequent asthma-related hospitalizations."

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