

Oral chemo still too expensive even after doughnut hole closes

December 8 2015

Access to expensive oral chemotherapy drugs will still be out of reach for millions of Americans with Medicare coverage, even when one of the most touted reforms in health care coverage takes place in 2020. The analysis, which assesses out-of-pocket health care costs for cancer patients after the Medicare Part D doughnut hole (or coverage gap) closes, shows with unprecedented clarity that the financial burden for prescription drugs for many cancer patients will still be too high – in some cases, up to one-third of their household budget.

The researchers, led by Stacie Dusetzina at the University of North Carolina at Chapel Hill, analyzed 3,344 Medicare formularies that spell out how insurers cover [prescription drugs](#). They found that in 2010, a typical course of oral [chemotherapy drugs](#) cost patients on average up to \$8,100 per year. When the doughnut hole closes in 2020, patients will still have to pay on average \$5,600 out of pocket per year, more than what the average Medicare beneficiary's household spends on food each year.

"While closing the doughnut hole will benefit many Part D enrollees, individuals using expensive specialty drugs will continue to face very high out-of-pocket spending," said Dusetzina, assistant professor at the UNC Eshelman School of Pharmacy and Gillings School of Global Public Health and a member of Lineberger Comprehensive Cancer Center. "These high drug costs may result in people not taking their medications as they should. That makes therapies less effective, which wastes time and money and has health and financial consequences for

the patient."

Medicare Part D is the primary source of [prescription drug coverage](#) for older adults in the United States. Before the Affordable Care Act, Medicare Part D enrollees without supplemental insurance paid a \$310 deductible and then 25 percent of the total cost of their prescription medications up to \$2,960. They then fell into the doughnut hole where they were responsible for paying 100 percent of their prescription-drug costs until their total out-of-pocket spending on medication reached \$4,700. At that point, catastrophic coverage kicked in, and patients paid five percent of their prescription costs through the rest of the year.

In 2020, [patients](#) will only be responsible for 25 percent of their prescription-drug costs associated with the doughnut hole. But with an average market price of \$10,000 a month for some chemotherapy drugs, closing the doughnut hole doesn't make much of a dent, said Dusetzina and her collaborator, Nancy Keating, a professor of [health care](#) policy at Harvard Medical School.

Their findings are reported in today's issue of the *Journal of Clinical Oncology*.

Specifically, the out-of-pocket cost for a cancer patient undergoing a year of oral chemotherapy covered under Medicare Part D ranged from \$6,500 to \$12,000 in 2010. When the doughnut hole shrinks in 2020, the researchers project that the average out-of-pocket cost will range from \$3,900 to \$9600 in 2020, assuming drug prices do not change.

Provided by University of North Carolina at Chapel Hill

Citation: Oral chemo still too expensive even after doughnut hole closes (2015, December 8) retrieved 25 April 2024 from

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