

ACA coverage hikes prescription drug use, lowers out-of-pocket spending, study finds

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People who gained health coverage following the implementation of the federal Affordable Care Act's coverage expansion sharply increased their use of prescription drugs, while their out-of-pocket spending for medications dropped significantly, according to a new RAND Corporation study.

Studying the experiences of nearly 7 million prescription drug users nationally, researchers found that among those who gained private insurance there was a 28 percent increase in [prescriptions](#) filled and a 29 percent reduction in out-of-pocket spending per prescription compared to the previous year when they were uninsured.

Those gaining Medicaid—the government insurance program for low-income people—filled 79 percent more prescriptions and paid 58 less out-of-pocket per prescription after gaining coverage.

The effects were even larger for individuals with one of five [chronic conditions](#) such as diabetes and asthma that were tracked by researchers. The findings are published online by the journal *Health Affairs*.

"This is strong evidence that the Affordable Care Act has increased treatment rates while reducing out-of-pocket spending, particularly for people with [chronic health conditions](#)," said Andrew W. Mulcahy, lead author of the study and a health policy researcher at RAND, a nonprofit research organization. "Improving the treatment of people with chronic conditions is an important step in improving health outcomes."

The study also tracked the drop in the uninsurance rate among the study population, which was adjusted to be representative of all prescription drug users nationally. Researchers found a 30 percent drop in the number of uninsured from 2013 to 2014.

In addition, states that opted to expand Medicaid by early 2014 had significantly larger declines in uninsurance rates (39 percent) when compared to states that had not (23 percent).

There is little research on the change in health care utilization caused by the ACA. RAND researchers examined changes in prescription use over a three-year period by analyzing prescription transactions for nearly 7 million individuals who had purchased medication from a retail pharmacy in January 2012 prior to the coverage expansion.

Researchers developed methods to assign individuals to insurance status categories by reviewing whether they paid for prescriptions with cash or using insurance coverage. Individuals' prescription purchase patterns were tracked from before the coverage expansion in 2013 through the end of 2014, after the ACA coverage expansion.

People who had one of five chronic condition categories studied—diabetes, high cholesterol, anxiety or depression, asthma or chronic obstructive pulmonary disease, and hormone therapy for breast cancer—sharply increased the number of prescriptions filled after gaining coverage, but had lower annual out-of-pocket expenses. For example, individuals with high cholesterol who gained private coverage had \$200 less in annual out-of-pocket spending while those newly covered under Medicaid had \$359 less in out-of-pocket spending.

Support for the study was provided by the Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Other authors of the study are Christine Eibner of RAND

and Kenneth Finegold of the Office of the Assistant Secretary for Planning and Evaluation.

RAND Health is the nation's largest independent [health policy research](#) program, with a broad research portfolio that focuses on population health, health care costs, quality and public [health](#) systems, among other topics.

Provided by RAND Corporation

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