

## Copay assistance is the problem, not the solution to high drug prices

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Copay assistance is part of the drug pricing problem, not a solution to it, according to several health policy experts in a <u>commentary</u> published in *Annals of Internal Medicine*. The experts offer five reasons why programs like the one offered by Mylan, the pharmaceutical company responsible for the controversial Epi-Pen price hike, look like a boon for public health but are actually a recipe for higher healthcare costs.

As drug companies raise medication prices, insurance companies reduce coverage, and consumers are left paying higher out-of-pocket costs. Pharmaceutical companies could ease consumer burden by lowering prices, but they often opt for Mylan's strategy instead. That is, they offer coupons to offset patient costs or form charities to administer support programs for patients with government insurance. The authors outline several reasons why these copay assistance programs will lead to more expensive drugs in the future and also offer suggestions for <a href="health care-policy">health care-policy</a> makers to mitigate their inflationary impact.

A second drug pricing <u>commentary</u> published in Annals suggests that current pricing policy recommendations ignore <u>public health</u> implications. The authors argue that reducing payment to <u>pharmaceutical companies</u> could affect the types of drugs that are brought to the marketplace.

For example, under the current reimbursement system, pharmaceutical companies often earn higher profits from drugs that patients take every day for maintenance of common conditions. However, if drug prices



were commensurate with cost-effectiveness, prices would be higher for cures and prevention and companies would invest more in the types of drugs that stand to yield a greater social value. The authors suggest ways in which <u>policy makers</u> could redirect their energy toward innovation-innovation tradeoffs instead of the current innovation-access model.

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