

# Reference pricing linked to lower prices paid by employers

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(HealthDay)—Reference prices are associated with lower prices paid by

employers and lower cost sharing by employees, according to a study published online Feb. 5 in *JAMA Network Open*.

James C. Robinson, Ph.D., from the University of California School of Public Health in Berkeley, and colleagues examined the association between reference prices and shifting to lower-cost drugs. Data were included for employees of Catholic organizations who purchased [health insurance](#) through the Reta Trust, which implemented reference pricing in July 2013, and a sample of public sector organization employees who purchased insurance through the California Public Employees' Retirement System (CalPERS), which did not implement reference pricing during the study period.

The researchers found that in the first 2.5 years after implementation of reference pricing, compared with CalPERS patients, Reta Trust patients had a 5.1 percent increase in the percentage of prescriptions made for the low-priced drug within each therapeutic class. In addition, patient cost sharing increased by 10.3 percent (difference was not statistically significant), and there was a 19.1 percent decrease in prices paid. During the subsequent two-year postimplementation period, the percentage of prescriptions made for the low-priced drugs increased 6.2 percent, patient cost sharing decreased by 21.3 percent, and prices paid increased by 7.2 percent (this difference was not statistically significant).

"The lag in physician and consumer responses to reference [pricing](#) and the transient increase in cost sharing after implementation highlight the importance of prompt and effective communication strategies so that prescribers and patients understand and can respond to the changing incentives," the authors write.

One author disclosed financial ties to Arnold Ventures.

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