

Research finds that patient out-of-pocket spending increased from 2014-2018 for hepatitis B medication

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Recently published in *JAMA Network Open*, University of Minnesota Medical School researchers found that during a four-year period, patient



out-of-pocket spending increased for hepatitis B medication, entecavir.

The research team found that between 2014 and 2018, patients with high-deductible health plans spent on average \$133 per 30-day supply—a cost threshold associated with more than 50% rate of prescription abandonment.

"We noticed that some of our patients with chronic hepatitis B were unable to afford entecavir, a first-line generic drug, due to high out-of-pocket costs," said Thomas Leventhal, MD, a gastroenterologist and hepatologist at the U of M Medical School and M Health Fairview. "We wanted to better understand the reasons for this, so we examined trends in the average wholesale price, the average price that pharmacies pay, and spending."

The research team observed that the increase occurred despite generic manufacturer competition and a marked decline in the price that pharmacies paid for entecavir.

The researchers concluded that the data illustrates that patients appear to be shielded from the benefits of generic competition for entecavir. It is known that chronic hepatitis B in the U.S.—including Minnesota—predominantly afflicts immigrant populations; creating a skewed financial burden for this community.

"The artificially high average wholesale price for entecavir is a likely driver of such high out-of-pocket spending, as drugs are often paid for based on a discount of the average wholesale price," said Leventhal. "This patient-cost burden commonly benefits supply chain intermediaries—such as pharmaceutical benefit managers (PBMs) and wholesalers—while contributing to drug price inflation."

Leventhal and team recommend that more research is needed to



determine the reasons for such high out-of-pocket spending for entecavir, including a closer look into PBM practices. The researchers believe that these findings point to entecavir as an example <u>medication</u> that could be ripe for market disruption, to the benefit of patients. A large decrease in the out-of-pocket cost for entecavir is feasible but will require new approaches to patient pharmaceutical payments and drug distribution.

More information: Jonathan D. Alpern et al, Trends in Pricing and Out-of-Pocket Spending on Entecavir Among Commercially Insured Patients, 2014-2018, *JAMA Network Open* (2022). DOI: 10.1001/jamanetworkopen.2021.44521

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