

Prescription co-payments linked to more hospital admissions in New Zealand, study finds

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A new study from researchers at Te Herenga Waka—Victoria University of Wellington cautions that bringing back the \$5 co-payment for prescription medicines could see a jump in hospital admissions.

The study analyzed [health data](#) for 71,502 people and found those who didn't pick up a prescription because they couldn't afford the \$5 fee had a 34% higher rate of being admitted to hospital. Data were from New Zealand Health Surveys run between 2014 and 2019.

"Nearly 6,000 people in the sample reported not picking up a prescription in the previous 12 months because they couldn't afford the \$5 co-payment. Our analysis found people in this group were more likely to end up in hospital," says lead author Dr. Mona Jeffreys.

Among those who couldn't afford the \$5 charge, 60% were admitted to hospital during the study period, compared with 43% of those who were able to pay the fee.

"The cost of one night in hospital is about \$1,200 and the average length per stay is three nights, so there are potentially huge cost savings if admissions can be avoided. We conservatively estimate \$32.4 million a year could be saved if these extra hospitalizations did not have to happen," says Dr. Jeffreys.

The study's findings mirror those of other research that suggest free prescriptions reduce hospitalization rates.

"There are obviously a range of factors that lead to [hospital admissions](#). However, our research, and the results of other studies, show there is likely to be a strong link between people's inability to afford [prescription medicines](#) and a higher rate of hospitalization.

"Given this, the current zero fees policy should be retained. Any change to reintroduce prescription co-payments could lead to more hospital admissions, increasing costs to hospitals, and adversely affect people's health as well as health equity," says Dr. Jeffreys.

The \$5 prescription co-payment was removed on 1 July 2023. Prior to the 2023 election, the National Party announced it intended to reintroduce the co-payment, although the fee would not be charged to everyone.

Results of the study led by Dr. Jeffreys are published in the 17 May 2024 edition of the [*New Zealand Medical Journal*](#).

More information: Mona Jeffreys et al, Consequences of cost barriers to prescriptions: cohort study in Aotearoa New Zealand, *New Zealand Medical Journal* (2024). [DOI: 10.26635/6965.6431](#)

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