

# Issue Brief

## Findings from HSC



### PRESCRIPTION DRUG ACCESS DISPARITIES AMONG WORKING-AGE AMERICANS

by Marie Reed and J. Lee Hargraves

*Working-age African Americans and Latinos are much more likely than white Americans to report they cannot afford all of their prescription drugs, according to a new study by the Center for Studying Health System Change (HSC). In 2001, nearly one in five blacks and one in six Latinos 18 to 64 years old did not purchase all of their prescriptions because of cost, compared with slightly more than one in 10 whites. Cost-related prescription drug access problems are considerably higher for people with chronic conditions,<sup>1</sup> particularly African Americans. Regardless of race or ethnicity, uninsured working-age people with chronic conditions are at particular risk for not being able to afford all of their prescriptions, with about half reporting cost-related prescription access problems. Increased patient cost sharing for prescription drugs will likely increase prescription drug access disparities for insured African Americans and Latinos, especially those with chronic conditions.*

### Blacks and Latinos More Likely to Go Without Prescriptions

**S**pending on prescription drugs continues to increase rapidly in the United States, reflecting a growing reliance on drugs to treat a variety of health problems. Access to prescriptions varies by race. For example, research has shown that blacks are less likely to be prescribed medicines than are whites with similar health conditions.<sup>2</sup>

According to results from the Community Tracking Study (CTS) 2001 Household Survey (see Data Source), working-age African Americans and Latinos are considerably more likely than whites not to fill all of their prescriptions because of cost concerns (see Figure 1). Overall, about 20 percent of blacks, 16 percent of Latinos and 11 percent of non-Hispanic whites did not fill at

least one prescription in 2001 because of cost concerns.

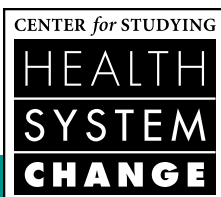
#### Large Gap for Minorities with Chronic Conditions

Chronic conditions contribute substantially to racial and ethnic disparities in health status in the United States, particularly for African Americans, and are among the principal reasons why blacks die at younger ages and at a much higher rate than white Americans.<sup>3</sup> Black Americans also are more likely to have multiple chronic conditions.<sup>4</sup>

Working-age African Americans and Latinos with chronic conditions were substantially more likely than whites

to report not having filled at least one prescription in 2001 because of cost (see Table 1). More than 30 percent of blacks and a quarter of Latinos with chronic conditions didn't purchase all of their prescriptions in 2001 because of cost, compared with 17 percent of whites living with chronic conditions. Working-age Latinos and blacks without chronic conditions were also more likely than whites to face prescription drug affordability problems. In general, however, people without chronic health problems are much less likely to report having problems purchasing their prescriptions.

Overall, the relative disparity in cost-related prescription drug access problems for African Americans and Latinos compared with whites is fairly similar





## Data Source

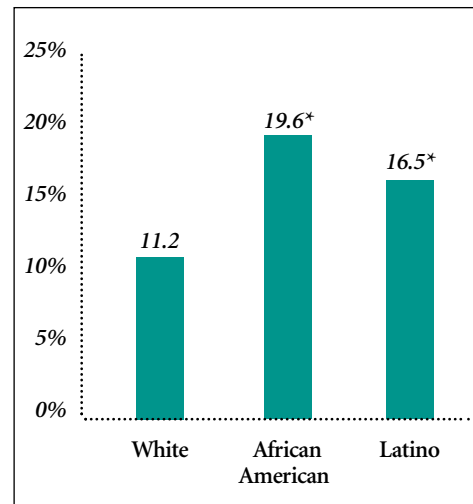
This Issue Brief presents findings from the HSC Community Tracking Study Household Survey, a nationally representative telephone survey of the civilian, noninstitutionalized population conducted in 2000-01. Data were supplemented by in-person interviews of households without telephones to ensure proper representation. The survey contains information on about 60,000 people, including approximately 37,000 white, Latino and African Americans 18 to 64 years of age. The response rate was 59 percent. Estimates in the Issue Brief reflect the percentage of working-age adults who responded “yes” to the following question: “During the past 12 months, was there any time you needed prescription medicines but didn’t get them because you couldn’t afford it?” More detailed information on survey methodology can be found at [www.hschange.org](http://www.hschange.org).

## Web Exclusive

Supplementary data tables related to this Issue Brief are available online at [www.hschange.org](http://www.hschange.org).



**Figure 1**  
**Working-Age Americans Who Did Not Purchase at Least One Prescription Drug in 2001 Because of Cost by Race**



\* Comparison with whites is statistically significant at  $p < .001$ .

Source: HSC Community Tracking Study Household Survey 2000-01

regardless of the number of chronic conditions: blacks are about 75 percent and Latinos about 50 percent more likely than whites not to have purchased at least one prescription drug in 2001 because of cost issues. However, the absolute disparity or gap—the percentage point difference between the percent of whites and African Americans and Latinos with cost-related prescription drug access problems—is much greater for those with chronic conditions. This finding is important because prescription drugs are critical to ongoing treatment of many chronic conditions, and lack of access to appropriate prescription medication can result in pain, worsening of the condition and increased risk for other related health problems.

The size of the gap between minorities and whites in cost-related prescription drug access problems increases with the presence of chronic conditions. The gap between blacks and whites was 5 percentage points for those with no chronic conditions, 12 points for those with one condition and 15 points for people with multiple conditions. Similar, though generally smaller, gaps were found for Latinos as well. More than 35 percent of blacks and 30 percent of Latinos with multiple chronic conditions did not purchase all of their prescriptions in 2001 because of cost, compared with slightly more than 20 percent of whites.

## Gaps Exist Among Insured But Not Among Uninsured

Uninsured people were more than three times as likely as those with private health coverage to have gone without at least one prescription in 2001 because of cost concerns (see Table 2). However, previous HSC research shows that drug-affordability problems are not limited to the uninsured—about a quarter of working-age people with Medicaid or other state coverage did not purchase at least one prescription in 2001 because they could not afford it.<sup>5</sup> African Americans and Latinos are more likely to be uninsured or to receive their health insurance through a public program<sup>6</sup>, and, as a result, members of these minority groups are more likely to have problems affording all of their prescriptions.

Uninsured African Americans, whites and Latinos were equally likely to report problems affording prescription drugs. All three groups had extremely high rates of affordability problems, particularly among those with chronic conditions. Regardless of race or ethnicity, about 50 percent of working-age uninsured people with chronic conditions reported cost-related prescription drug access problems. The rate for uninsured persons without chronic conditions was about half that level.

Similar to uninsured people, working-age people with public insurance, including Medicaid and Medicare, were more likely than privately insured people to report problems affording prescription drugs. In particular, publicly insured African Americans living with chronic conditions were much more likely than publicly insured whites or Latinos with chronic conditions to report problems affording all of their prescriptions. Even after accounting for socio-economic factors such as income, age and gender that can affect both need and ability to pay, blacks with public insurance and at least one chronic condition were a third more likely than whites with public insurance and at least one chronic condition to have problems affording all of their prescription drugs.<sup>7</sup> Some possible explanations for this disparity may include differences in individual and family financial pressures and resources as well as regional and individual factors not accounted for in the model.

Prescription drug access problems are lowest for the privately insured, regardless of race or ethnicity. However, significant racial and ethnic disparities in access to prescription drugs exist

**Table 1****Working-Age People Who Did Not Purchase at Least One Prescription Drug in 2001 Because of Cost by Number of Chronic Conditions<sup>1</sup>**

	NUMBER OF CHRONIC CONDITIONS			
	AT LEAST ONE	NONE	ONE	TWO OR MORE
PERCENT WITH COST-RELATED PRESCRIPTION DRUG ACCESS PROBLEMS:				
ALL	19.8 %	9.7 %	16.9 %	24.8 %
WHITE	17.0	8.3	14.6	21.3
AFRICAN AMERICAN	30.7***	13.4***	26.7***	35.9***
LATINO	25.7***	13.7***	23.0***	31.7**
PERCENTAGE POINT GAP <sup>2</sup> COMPARED TO WHITES				
AFRICAN AMERICAN	13.6	5.1	12.1	14.6
LATINO	8.7	5.5	8.4	10.4

<sup>1</sup> People were classified as having a chronic condition if during the previous two years they had seen a doctor or health professional for at least one of the following conditions: diabetes, arthritis, asthma, chronic obstructive pulmonary disease, heart disease, hypertension, cancer or depression.

<sup>2</sup> The gap equals the estimate for minority group minus the estimate for whites. Slight differences from estimates calculated directly from table are due to rounding.

Comparison with whites is statistically significant: \*\*\* p<.001, \*\* p<.01.

Source: HSC Community Tracking Study Household Survey 2000-01

**Table 2****Working-Age People Who Did Not Purchase at Least One Prescription Drug in 2001 Because of Cost by Chronic Condition Status<sup>1</sup> and Type of Insurance**

	INSURANCE TYPE		
	PRIVATE	PUBLIC <sup>2</sup>	UNINSURED
ALL PERSONS 18-64	8.0 %	23.7 %	29.0 %
AT LEAST ONE CHRONIC CONDITION			
WHITE	10.8	29.8	52.1
AFRICAN AMERICAN	21.5***	38.1**	54.0
LATINO	17.8***	24.8	46.2
NO CHRONIC CONDITION			
WHITE	5.0	14.5	24.5
AFRICAN AMERICAN	9.9***	13.2	22.6
LATINO	9.4***	12.7	19.9

<sup>1</sup> People were classified as having a chronic condition if during the previous two years they had seen a doctor or health professional for at least one of the following conditions: diabetes, arthritis, asthma, chronic obstructive pulmonary disease, heart disease, hypertension, cancer or depression.

<sup>2</sup> Public insurance includes Medicaid, Medicare and other public insurance.

Comparison with whites is statistically significant: \*\*\* p<.001, \*\* p<.01.

Source: HSC Community Tracking Study Household Survey 2000-01

among those with private insurance, with the largest disparities among those with chronic conditions. Working-age, privately insured African Americans with chronic conditions were twice as likely as whites (22% compared

with 11%) not to purchase all of their prescription drugs in 2001 because of cost concerns. Privately insured Latinos with chronic conditions (18%) also experienced more problems affording drugs than did



**Significant racial  
and ethnic  
disparities in  
access to  
prescription drugs  
exist among  
those with  
private insurance.**

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**Rising out-of-pocket  
prescription drug  
costs may undercut  
efforts to reduce  
racial and ethnic  
disparities in  
access to  
health care.**

whites. A prescription drug access gap also exists for privately insured African Americans and Latinos without chronic conditions.

There are a variety of explanations for these disparities, many of which are economic. For example, employed blacks and Latinos generally earn less than whites, and they are less likely to work for employers offering health plans with generous prescription benefits. And, if offered a choice of health plans, they may be more likely to select one with lower premiums—which generally provides fewer benefits and requires more patient cost sharing—to increase take-home pay.<sup>8</sup> When income and other socioeconomic factors are taken into account, the prescription drug access gap for the privately insured with chronic conditions closes for Latinos but not for African Americans.

### More Disparities?

As private and public payers grapple with rising health care costs, including those related to drug price and volume increases, consumers are being asked to pay more for their prescription drugs in a variety of ways. Some have higher copayments, and most plans now include tiered copayments where patients pay more for brand-name drugs and those not on a preferred list. Others have prescription drug coverage with coinsurance, where patients pay a percentage of the total drug cost rather than a fixed copayment. Price sensitivity to prescription purchases is strong, particularly among low-income people, meaning that even minimal patient out-of-pocket costs can result in people failing to fill their prescriptions.<sup>9</sup>

African Americans and Latinos are much more likely to have lower incomes than are whites, putting them at greater risk for increased problems paying for their drugs as out-of-pocket costs escalate. And since African Americans and Latinos with chronic health conditions are much more likely than whites to have problems affording all of their prescription drugs already, prescription drug access disparities among those with chronic conditions are likely to increase as patient cost sharing increases. Rising out-of-pocket prescription drug costs may undercut efforts to reduce racial and ethnic disparities in

access to health care, including prescription drugs, with the greatest effect on reduced access for minorities with chronic conditions. ●

### Notes

1. People were classified as having a chronic condition if during the previous two years they had seen a doctor or health professional for at least one of the following conditions: diabetes, arthritis, asthma, chronic obstructive pulmonary disease, heart disease, hypertension, cancer or depression.
2. *Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care*, Institute of Medicine, National Academy Press, Washington, D.C. (2003).
3. Keppel, Kenneth, Jeffrey Percy and Diane Wagener, “Trends in Racial and Ethnic-Specific Rates for the Health Status Indicators: United States, 1990-98,” *Healthy People Statistical Notes*, No. 23, National Center for Health Statistics, Hyattsville, Md. (January 2002).
4. Sixteen percent of blacks aged 18-64 reported having more than one chronic condition in 2001, compared with 12 percent of whites and 7 percent of Latinos. See Web Table No. 1 associated with this Issue Brief at [www.hschange.org](http://www.hschange.org) for additional information on chronic condition status by race.
5. Cunningham, Peter, *Prescription Drug Access: Not Just a Medicare Problem*, Issue Brief No. 51, Center for Studying Health System Change, Washington, D.C. (April 2002).
6. Thirty-nine percent of working-age blacks had public insurance or were uninsured in 2001. The rate for Latinos was 48 percent. See Web Table No. 2 associated with this Issue Brief at [www.hschange.org](http://www.hschange.org) for additional information on insurance type and race.
7. See Web Table No. 3 associated with this Issue Brief for details on the results of the multivariate model at [www.hschange.org](http://www.hschange.org).
8. See Web Table No.1 at [www.hschange.org/CONTENT/443/?supp=1](http://www.hschange.org/CONTENT/443/?supp=1), associated with Hargraves, J. Lee, *The Insurance Gap and Minority Health Care, 1997-2001*, Tracking Report No. 2, Center for Studying Health System Change, Washington, D.C. (June 2002).
9. Hwang, Wenke, et al., “Out-of-Pocket Medical Spending for Care of Chronic Conditions,” *Health Affairs*, Vol. 20, No. 6 (November/December 2001).

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