CENTER for STUDYING HEALTH SYSTEM CHANGE

Issue Brief

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AN UPDATE ON AMERICANS' ACCESS TO PRESCRIPTION DRUGS

By Marie Reed

More Americans—especially those with chronic conditions such as diabetes, asthma and depression—are going without prescription drugs because of cost concerns, according to a new national study by the Center for Studying Health System Change (HSC). In 2003, more than 14 million American adults with chronic conditions—over half of whom were low income—could not afford all of their prescriptions. Between 2001 and 2003, the proportion of privately insured, working-age people with chronic conditions who reported not filling at least one prescription because of cost concerns increased from 12.7 percent to 15.2 percent. Likewise, the proportion of elderly, chronically ill Medicare beneficiaries without supplemental private insurance with problems affording prescription drugs rose from 12.4 percent to 16.4 percent between 2001 and 2003. At the same time, significant disparities in prescription drug access persisted between black and white Americans with chronic conditions, with blacks about twice as likely to report problems affording prescriptions.

Prescription Drug Affordability Problems Grow

The proportion of American adults reporting problems affording prescription drugs ticked up between 2001 and 2003, increasing from 12.0 percent to 12.8 percent, according to HSC's nationally representative Household Survey (see Data Source). This small but statistically significant increase in affordability problems likely resulted from higher prescribing rates and increased patient cost sharing.

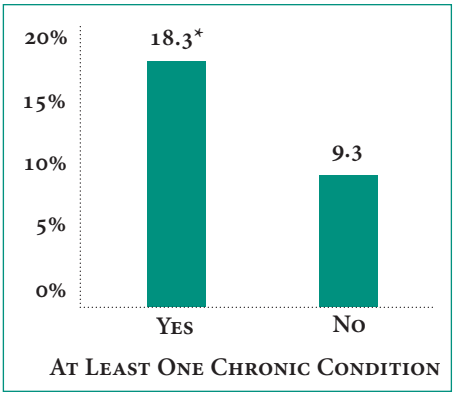
Among all adults, prescription drug access problems rose markedly for adults with chronic conditions,[1] increasing from 16.5 percent in 2001 to 18.3 percent in 2003. However, access problems for adults without chronic conditions remained unchanged at about 9.2 percent during the same period. People with chronic conditions are more likely to need prescription drugs to manage their conditions, prevent complications and maintain quality of life. Partly because of higher prescription drug needs, adults living with chronic conditions in 2003 were twice as likely as those without chronic conditions to be unable to afford all of their prescription drugs (see Figure 1).

Insurance No Panacea

Between 2001 and 2003, the proportion of privately insured working-age adults (aged 18-64) with chronic health conditions who didn't purchase all of their prescriptions because of cost concerns increased from 12.7 percent to 15.2 percent (see Table 1). In the past decade, prescription drug utilization and spending in the United States increased dramatically. In an effort to control rising prescription drug spending, health plans started using formularies more aggressively and increasing patients' out-of-pocket payment requirements. These policies likely are a key reason for the increase in prescription drug access problems for privately insured working-age Americans with chronic conditions.

Figure 1

U.S. Adults Who Did Not Purchase at Least One Prescription Drug Because of Cost Concerns, by Chronic Condition Status, 2003



Note: See Data Source for description of chronic condition status.

* Comparison of estimates for adults with and without chronic conditions is statistically significant at p <.05.

Source: Community Tracking Study Household Survey, 2003

In 2003, the rate of access problems for low-income, privately insured working-age adults with chronic conditions was similar to that faced by those with public insurance—nearly 35 percent had cost-related unmet prescription drug needs.

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Table 1

U.S. Adults Who Did Not Purchase at Least One Prescription Drug Because of Cost, by Chronic Condition Status and Type of Insurance, 2001 and 2003

	2001	2003
Working-age Adults, 18-64	12.9%	13.6%
No Chronic Condition	9.6	9.5
At Least One Chronic Condition	20.0	22.2*
Private Insurance	12.7	15.2*
Public Insurance	31.3	32.3
Uninsured	51.7	50.8
Elderly with Medicare	7.7	8.9
No Chronic Condition	4.3	5.2
At Least One Chronic Condition	8.9	10.1
Job-sponsored Supplemental	3.4	3.2
Other Private Supplemental	10.0	9.0
Other[1]	12.4	16.4*

Note: See Data Source for description of chronic condition status.

[1] Includes Medicare fee-for-service, Medicare HMO and additional assistance through public programs such as Medicaid.

* Comparison with 2001 is statistically significant at p<.05.

Source: Community Tracking Study Household Survey, 2001 and 2003

Cost-related unmet prescription drug needs did not increase for working-age adults with chronic conditions who are uninsured or who are covered by public insurance, such as Medicaid. However, uninsured and publicly insured working-age adults with chronic conditions continue to have significantly higher rates of access problems than the privately insured. In 2003, one in two uninsured, nearly one in three publicly insured and one in six privately insured working-age adults with at least one chronic condition didn't purchase all of their prescription drugs because of cost concerns.

While unmet needs for prescription drugs for privately insured people are relatively low, the privately insured constitute a sizeable segment of the overall population that reports problems affording prescription drugs. In 2003, 40 percent of adults with chronic conditions who reported prescription drug affordability problems were working age and privately insured—more than 5.5 million people.

Elderly Medicare beneficiaries living with chronic conditions who had private supplemental coverage—employer-sponsored or Medigap—were not more likely to report problems affording their prescriptions in 2003 than in 2001. But prescription drug access problems did increase for beneficiaries lacking supplemental private coverage, growing from 12.4 percent in 2001 to 16.4 percent in 2003. Many without private insurance did not have access to discounted prescription drug prices, a feature of many supplemental plans, and often had to pay list price.

Income and Rx Access

Regardless of insurance coverage, low-income adults—those with incomes below 200 percent of the federal poverty level, or $36,800 for a family of four in 2003—with chronic conditions faced significant financial barriers to obtaining prescribed drugs.

Low-income, uninsured working-age adults with chronic conditions were most likely to have cost-related access problems, with nearly 60 percent reporting they could not afford all their prescriptions in 2003 (see Figure 2). Nearly 40 percent of chronically ill low-income people with public insurance, such as Medicaid, were unable to fill at least one prescription because of cost concerns. And, in 2003, the rate of access problems for low-income, privately insured working-age adults with chronic conditions was similar to that faced by those with pub-

lic insurance—nearly 35 percent had cost-related unmet prescription drug needs. Among low-income elderly Medicare beneficiaries, 17 percent reported being unable to fill at least one prescription.

Many low-income people with chronic conditions who can't afford prescription drugs face substantial medical bills. Regardless of insurance coverage, about half of low-income working-age adults with chronic conditions and an unmet prescription drug need paid more than 5 percent of their incomes for medical expenses in 2003 (see Table 2). And more than half of these—nearly 1.8 million working-age adults—paid more than 10 percent of their incomes for medical expenses and still were unable to purchase all of their prescriptions. These estimates are conservative since payments for insurance premiums were not included as out-of-pocket medical expenses.

Likewise, many older people are paying significant portions of their income for medical care and still can't afford all of their prescriptions. In 2003, for example, 56 percent of the elderly with low incomes and chronic conditions who couldn't afford all their prescriptions spent at least 5 percent of their income on medical care, and 37 percent paid more than 10 percent.

Blacks At Higher Risk

Privately insured working-age blacks with chronic conditions were nearly twice as likely as whites to not be able to afford all of their prescriptions—22 percent vs. 13 percent—in 2003 (see Table 3). Similarly, 17 percent of black elderly Medicare beneficiaries reported problems affording prescription drugs compared with 9 percent of white beneficiaries. Between 2001 and 2003, cost-related prescription drug access disparities for blacks compared with whites did not change (data not shown). Previous HSC research[2] found that, in 2001, working-age black Americans with private insurance and elderly black Medicare beneficiaries were much more likely than comparable white Americans to have cost-related unmet prescription drug needs and that these disparities remained after adjusting for income and other socioeconomic factors.

This type of racial disparity does not exist to a significant extent between uninsured or publicly insured blacks and whites with chronic conditions—their prescription access problems are high regardless of race. For example, nearly one in three working-age chronically ill whites and blacks with public insurance reported not being able to afford a prescription drug, while 53 percent of uninsured whites and 60 percent of uninsured blacks couldn't afford to fill a prescription.

African-Americans are more likely to have certain chronic conditions, such as hypertension and diabetes, than whites. This double jeopardy—a combination of higher disease rates and greater inability to afford all prescriptions—results in much higher overall risk for blacks compared with whites. For example, 7 percent of all working-age black Americans had hypertension in 2003 and were unable to purchase all of their prescriptions because of cost concerns—nearly three times the rate for working-age whites.

Implications

More than 14 million American adults of all ages with chronic conditions—more than half with low incomes—could not afford all of their prescriptions in 2003. One-fifth of adults with chronic conditions who had cost-related unmet prescription drug needs in 2003 were elderly, one-fifth were uninsured, a fifth had public insurance, such as Medicaid, and two-fifths were privately insured.

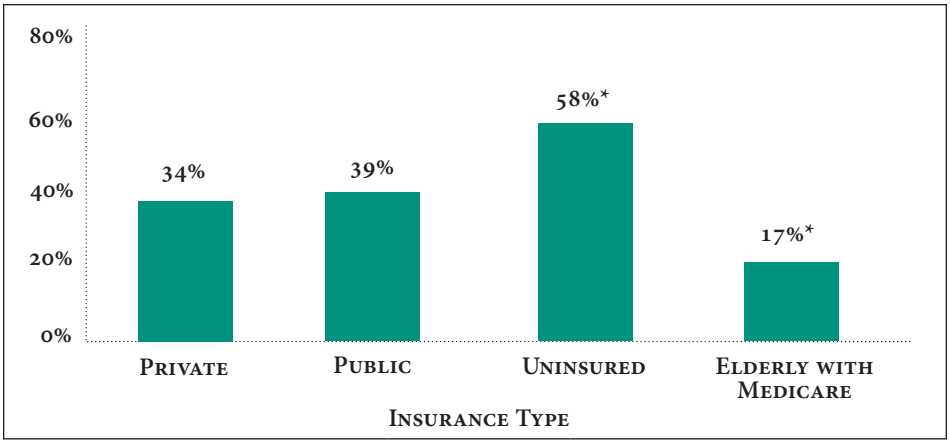
Many older people will be helped by the Medicare prescription drug benefit that goes into effect in 2006, but other significant segments of the American public also are unable to afford all of their prescriptions. Some of the uninsured may be helped by private drug discount plans. For example, the U.S. Department of Health and Human Services recently announced the Together Rx Access Card, a prescription drug discount plan sponsored by 10 pharmaceutical companies that may help uninsured persons save up to 40 percent on some prescriptions. While this effort is likely to increase the affordability of prescription drugs for many people, some uninsured people, especially those with low incomes, would still face significant out-of-pocket costs for prescription drugs.

As states wrestle with budget problems, Americans who rely on Medicaid for access to prescription drugs are likely to experience more affordability problems. Many states are instituting additional cost-containment policies to control the growth of prescription drug spending, including limiting the number of allowable prescriptions and requiring patients to pay a portion of the cost.

Since 2002, employers and private

Figure 2

Low-Income U.S. Adults with Chronic Condition(s) Who Did Not Purchase at Least One Prescription Drug Because of Cost, by Type of Insurance, 2003



Notes: See Data Source for description of chronic condition status. Low income is defined as family income less than 200 percent of the federal poverty level, or $36,800 for a family of four in 2003.

* Comparison with privately insured is statistically significant at p <.05.

Source: Community Tracking Study Household Survey, 2003

Data Source

This Issue Brief presents findings from the 2001 and 2003 HSC Community Tracking Study (CTS) Household Survey, a nationally representative telephone survey of the civilian, noninstitutionalized population. The 2001 survey, which had a response rate of 59 percent, contains information from more than 46,400 persons 18 years or older. The 2003 survey, with a 57 percent response rate, includes data from more than 36,500 adults. Estimates in this Issue Brief reflect the percentage of 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?"

To determine whether people had chronic conditions, the survey asked adult respondents whether they had been diagnosed with one of more than 10 chronic conditions and whether they had seen a doctor in the past two years for the condition. The list of chronic conditions includes asthma, arthritis, diabetes, chronic obstructive pulmonary disease, heart disease, hypertension, cancer, benign prostate enlargement, abnormal uterine bleeding and depression. The CTS list is not exhaustive but does include the most prevalent chronic conditions faced by American adults.

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Table 2

Low-Income U.S. Adults With Chronic Condition(s) and Cost-Related Prescription Drug Access Problems Who Had High Medical Spending, 2003

	Spent at Least 5 Percent of Income on Medical Expenses	Spent at Least 10 Percent of Income on Medical Expenses
Working-age Adults, 18-64	49%	29%
Private insurance	52	23
Public Insurance	53	35
Uninsured	42	27
Elderly with Medicare	56	37

Notes: See Data Source for description of chronic condition status. Low income is defined as family income less than 200 percent of the federal poverty level, or $36,800 for a family of four in 2003.

Source: Community Tracking Study Household Survey, 2003

Table 3

White and Black U.S. Adults With Chronic Condition(s) Who Did Not Purchase at Least One Prescription Drug Because of Cost, 2003

	Non-Hispanic Whites	Non-Hispanic Blacks
Working-age Adults, 18-64	20%	30%*
Private insurance	13	22*
Public Insurance	32	32
Uninsured	53	60
Elderly with Medicare	9	17*

Note: See Data Source for description of chronic condition status.

* Comparison with whites is statistically significant at p <.05.

Source: Community Tracking Study Household Survey, 2003

health plans have shifted costs to workers through increased patient cost sharing, especially for prescription drugs. This trend continued in 2003 and 2004, and it is unclear where employers will draw the line on increased patient cost sharing.

As medical needs for prescription drugs continue to grow, it's likely that the proportion of working-age Americans, especially those with chronic conditions, going without prescription drugs because of cost concerns will continue to grow.

Notes

1. To determine whether people had chronic conditions, the survey asked adult respondents whether they had been diagnosed with one of more than 10 chronic conditions and whether they had seen a doctor in the past two years for the condition. The list of chronic conditions includes asthma, arthritis, diabetes, chronic obstructive pulmonary disease, heart disease, hypertension, cancer, benign prostate enlargement, abnormal uterine bleeding and depression. The CTS list is not exhaustive but does include the most prevalent chronic conditions faced by American adults.
2. Reed, Marie C., and J. Lee Hargraves, *Prescription Drug Access Disparities Among Working-Age Americans*, Issue Brief No. 73, Center for Studying Health System Change, Washington, D.C. (December 2003). See also, Reed, Marie C., J. Lee Hargraves, and Alwyn Cassil, *Unequal Access: African-American Medicare Beneficiaries and the Prescription Drug Gap*, Issue Brief No. 64, Center for Studying Health System Change, Washington, D.C. (July 2003).