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# Reducing the Burden of Medication Costs to Improve Medication Adherence

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## REDUCING THE BURDEN OF MEDICATION COSTS TO IMPROVE MEDICATION ADHERENCE

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### ABSTRACT

The high cost of medications is one reason that patients do not adhere to treatment plans. Providers can take actions to relieve the economic burden such as prescribing generic medications and offering patients information on various resources, including discount generic drug lists, discount cards, mail-order pharmacies, and prescription assistance programs.

For many patients, controlling their health conditions depends not only on lifestyle adaptations, but on adherence to a medication regimen. A review of the research by Briesacher et al. illustrated that there is a significant problem with medication regimen adherence due to cost-related factors.<sup>1</sup> In the studies reviewed, the inability to afford medications was the most consistent reason

among all age groups, especially older adults, for nonadherence to a medication regimen. To help patients adhere to their regimens, prescribers must assess their financial abilities to obtain medications. In addition, the prescriber must be aware of a patient's insurance status and how it may affect medication costs.

## KEYWORDS

generic medications; low-cost drugs; medication adherence; prescription assistance programs

## MEDICATION COVERAGE REALITIES

It is obvious that prescribing for the uninsured patient necessitates that the prescriber consider strategies to make medications affordable. However, even patients with prescription coverage may face high costs for medications. Some insurance plans offer a tiered co-pay system; the co-pay rises depending on the tier in which a drug is categorized. In other insurance plans, patients pay a percentage (for example, 30%) of the cost of the medication. Either system may result in prohibitively high costs depending on the choice of the medication prescribed.

The prescriber also needs to be aware of the costs associated with Medicare Part D.<sup>2</sup> Patients pay a monthly insurance premium and often have a yearly deductible before Part D begins to pay toward medications. In 2014, the deductible could be up to \$310 per year.<sup>2</sup> After the deductible is met, Medicare Part D patients pay either a tiered co-pay or a co-insurance percentage (such as 25%) of the cost of each drug until they reach the "donut hole," at which time their costs increase. The "donut hole" is reached when a patient's medication costs, those paid by both the patient and the insurer, exceed \$2,790 a year. The Affordable Care Act (ACA) will close the "donut hole" by 2020. (See Patient drug costs in the "donut hole.")<sup>3</sup>

## PRESCRIBER STRATEGIES TO REDUCE COSTS

As ordering generic medications can reduce costs, it is vital that the prescriber has adequate knowledge of the appropriateness and availability of generic medications for the individual's health conditions. Encouraging patients to provide the prescriber with access to their insurer's formulary also allows the prescriber to order the least expensive drugs.

Since not all medications have generic equivalents, it may be necessary to prescribe alternative medications that, though still appropriate to the patient's condition, may not be the drug chosen if cost were not an issue. For example, a

patient with a co-pay of 30% may find the monthly cost of a brand-name combined corticosteroid and long-acting beta agonist (LABA) inhaler such as fluticasone propionate and salmeterol (Advair HFA) to be too costly. However, prescribing a generic inhaled corticosteroid without a LABA may be affordable to the patient and still produce the desired anti-inflammatory effect and control symptoms.

Another cost-reduction technique includes prescribing medication in a tablet form at twice the required dose and instructing the patient to take half of a tablet. The prescriber should give the patient written instructions with the name of the drug, the exact dosage to be taken, and how often the drug should be taken. The provider should also verify that the patient understands how to use a pill splitter and document this information in the patient's medical record. This is an effective, cost-reducing strategy if the cost of the higher-dosed tablet is not double the cost of the lower dose. Pill splitters are inexpensive, and the added step of splitting the pill is a simple trade-off for a less expensive drug.

## LOW-COST DRUG RESOURCES

There are several other approaches to reducing patient medication costs. (See Medication cost reduction resources.)

NeedyMeds is a reliable, non-profit, patient-friendly website that requires no registration and contains a wealth of information on access to low-cost, generic or free, brand-name drugs.<sup>4</sup> It provides information on pharmacy assistance programs (PAPs), mail-order discount drug pharmacies, coupons, rebates, reduced-cost diagnostic tests, and patient education. The site also provides a free drug discount card that can reduce the cost of drugs at retail pharmacies and information on state and national programs that reduce the cost of healthcare and medications for patients. The major pharmaceutical companies also sponsor a resource website, Partnership for Prescription Assistance, which provides similar patient information.<sup>5</sup>

## PHARMACY ASSISTANCE PROGRAMS

PAPs are sponsored by pharmaceutical companies to provide free brand-name medications to those who are eligible. An application form is required for each pharmaceutical company from which a drug is sought.

PAPs are usually used by patients with low-to-moderate incomes and those who do not have medication insurance coverage. Some programs allow access via Medicare patients during the "donut hole," whereas others do not. Income

standards are based on federal poverty guidelines ([aspe.hhs.gov/poverty/13poverty.cfm](http://aspe.hhs.gov/poverty/13poverty.cfm)). In addition, patient eligibility requirements differ depending on the pharmaceutical company and are described on the application materials. Applications require demographic and contact information for the patient as well as financial information, including proof of income.

Certain programs accept a W2 form or several months of pay stubs, whereas others require a copy of the previous year's Federal Internal Revenue Service (IRS) forms. If income tax forms were not filed, proof of nonfiling may be required from the IRS. This is done by the patient submitting a Request for Transcript of Tax Return 4506-T, which takes 4 to 6 weeks to process.

PAPs provide a wide range of brand name medications that do not have generic formulations. Three- to four-month supplies of brand-name medications are provided free of charge for 1 year with the option for renewal. Medications are delivered to the prescriber's office or the patient's home, depending on company policy. There is no charge by the pharmaceutical companies for the application or the medications covered by the PAP. A patient or the prescriber can initiate the application process. The process usually requires Internet access and basic computer skills.

There are some limitations on available medications. Drugs previously included in the program may be discontinued as they become available in generic form. The initial application process takes 3 to 4 weeks before the patient will receive the first shipment of medications. Subsequent refills are sent within 7 to 10 days of the request. The process of obtaining and completing the application forms may be time consuming if the prescriber takes this responsibility. Patients with Internet access and minimal computer skills who are supplied with the NeedyMeds web address and a list of their medications can access and complete the forms requiring only the prescriber signature and prescription.

NeedyMeds (<http://www.needymeds.org/index.htm>) and Partnership for Prescription Assistance (<https://www.pparx.org/en>) provide links to PAP application forms for specific drugs, pharmaceutical companies, and medical conditions. PAPs can also be found directly at individual pharmaceutical companies' websites. Proprietary companies also exist, which, for a monthly or per-drug fee, assist the patient with locating and completing the PAP application. These services still require a list of the patient medications, the signature of the prescriber, and a prescription for each medication. Examples include: Rx Assist (<http://www.rxassist.org>), Prescription Assistance Advocacy 360 (<http://www.prescriptionassistance360.org/>), and Select Care Benefits Network (SCBN) Prescription Advocacy (<http://www.scbn.org/>).

# EMPOWERING PATIENTS

To enhance medication adherence, prescribers must assess a patient's financial ability to obtain medication. Prescriber awareness of generic drug alternatives, cost-savings options, and discounts offered by various states and pharmacies is vital to assuring that a patient will have access to the prescribed medications. Advising patients on the available resources and encouraging their use may assist patients in obtaining medications they can afford. Empowering patients to take responsibility in finding affordable medications reduces the time commitment of the prescriber and, more importantly, helps patients better control their healthcare condition.

## REFERENCES

1. Briesacher BA, Gurwitz JH, Soumerai SB. Patients at-risk for cost-related medication nonadherence: a review of the literature. *J Gen Intern Med.* 2007;22(6):864–871.
2. [Medicare.gov](http://www.medicare.gov), the official U.S. website for Medicare. Drug coverage (Part D). <http://www.medicare.gov/part-d/>.
3. Closing the Coverage Gap—Medicare Prescription Drugs Are Becoming More Affordable. [www.medicare.gov/pubs/pdf/11493.pdf](http://www.medicare.gov/pubs/pdf/11493.pdf).
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	Net-generics Avg 9d	Net-aid savings plus for generic medications
<b>Description</b>	<ul style="list-style-type: none"> <li>• Lists of generic-generics medications offered by each of national drug manufacturers at a low cost.</li> <li>• Often referred to as the "9d list"</li> <li>• Usually a 9d list means a 9d, and a 30-day supply is 9d.</li> <li>• Medications with identical brand &amp; generic name means 9d list, usually 9d for 30-day and 9d for 9d.</li> </ul>	<ul style="list-style-type: none"> <li>• Many national clinical and some local pharmacies offer membership.</li> <li>• Membership fees may be required (Medicare and DSH), though a fee can be low (like \$5 and \$10).</li> <li>• Usually have generic drug lists that are more extensive than the "9d list"</li> <li>• May be more low-cost off-invoice prices for some than for generic programs. 30-day supply is \$5 for tier 1, \$10 for tier 2, or \$15 for tier 3.</li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Can be used in lieu of insurance coverage for any patient regardless of income.</li> </ul>	<ul style="list-style-type: none"> <li>• Can be used in lieu of insurance coverage regardless of income.</li> <li>• Requires fee and completion of membership form.</li> </ul>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Low cost</li> <li>• No eligibility requirements</li> <li>• No membership required</li> <li>• No "eligibility" required</li> </ul>	<ul style="list-style-type: none"> <li>• Discount on generic list of medications than 9d list</li> <li>• May be more extensive supply to some individuals and to those who are uninsured (Medicare, DSH, all used)</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• Limited medications</li> <li>• Not all drug classes are included, such as biologics or injectable drugs, oral, or certain biologics</li> <li>• Cannot be used with insurance</li> <li>• Prescriptions must either be specific number of pills offered on the "9d" or cannot be low price.</li> </ul>	<ul style="list-style-type: none"> <li>• Low cost is not outside certain drug categories, such as biologics or injectable biologics, insulin, or certain biologics.</li> <li>• Often higher costs for the same generic medications than the "9d list" and DSH's requirements for many for requests.</li> </ul>
<b>Relevant examples</b>	<ul style="list-style-type: none"> <li>• National Retail Prescription Program Drug List <a href="http://www.nrdp.org/programs/nrdp-drug-list/">http://www.nrdp.org/programs/nrdp-drug-list/</a></li> <li>• Target 9d Generic Drug List <a href="http://www.target.com/programs/generics-9d/">http://www.target.com/programs/generics-9d/</a></li> </ul>	<ul style="list-style-type: none"> <li>• Wal-Mart Rx Savings Program <a href="http://www.walmart.com/programs/walmart-rx-savings-program/">http://www.walmart.com/programs/walmart-rx-savings-program/</a></li> <li>• Costco Member Rx Prescription Program <a href="http://www.costco.com/programs/costco-rx-program/">http://www.costco.com/programs/costco-rx-program/</a></li> <li>• Walgreens Prescription Savings Plan <a href="http://www.walgreens.com/programs/walgreens-prescription-savings-plan/">http://www.walgreens.com/programs/walgreens-prescription-savings-plan/</a></li> </ul>

Year	Brand-name drug costs	Generic drug costs
2014	47.5%	72%
2015	45%	65%
2016	45%	58%
2017	40%	51%
2018	35%	44%
2019	30%	37%
2020	25%	25%

Source: Closing the Coverage Gap — Medicare Prescription Drugs Are Becoming More Affordable. [www.medicare.gov/psbs/pdf/11462.pdf](http://www.medicare.gov/psbs/pdf/11462.pdf).



**Description**

- Pharmaceutical companies and other organizations usually offer free discount cards for brand-name drugs and some generic drugs.
- Discounts vary with products, but the discounts offered are usually higher on brand-name medications than on generic medications.
- Coupons for a specific dollar amount savings are offered by pharmaceutical companies for certain brand-name medications.

**Eligibility**

- Discount cards do not have income or residency requirements.
- There are no fees or registrations, and the cards are transferable to other persons.
- Discount cards can be used in lieu of insurance coverage, if the drug is not covered in the patient's plan, or if the co-pay or deductible is high.
- It can also be used in the Medicare "donut hole."
- It can be used for prescription or over-the-counter medications.
- Some cards may also be used for pet medications.
- Coupons may possibly be used with insurance coverage.

**Advantages**

- May be accepted at many national chain pharmacies.
- Some drugs may be discounted up to 80% of usual cost.
- Discount cards and coupons are free and easy to obtain.

**Disadvantages**

- The amount of the discount is unknown until the pharmacy processes the sale using the card.
- If the cost is higher than other discounts, the transaction can be voided.

**Resource examples**

- Cards and coupons are available at the NeedyMeds site or can be found through general Internet search engines.
- NeedyMeds Drug Discount Card  
<http://www.needymeds.org/drugcard/index.htm>
- Pfizer Rx Pathways  
<http://www.pfizerxpathways.com/>
- AZ&Me Prescription Savings Program (for people with Medicare Part D)  
<http://www.astrazeneca-us.com/medicines/help-affording-your-medicines/azandme-prescription-savings-programs>

**Description**

- Mail-order pharmacies owned by the national pharmacy chains (for example, Walmart Online Pharmacy, Drugstore.com, Pharmacy Services by Walgreens) or a nonprofit charitable pharmacy, such as RxOutreach, may also reduce cost of medications.
- Frequently, the mail-order prices are lower than those found at the chain's local retail pharmacies.
- At Rx Outreach, many medications can be purchased for \$20 for a 180-day supply.
- There are laws restricting the use of online pharmacies located in a foreign country, such as Canada.

**Eligibility**

- Can be used in lieu of insurance coverage.
- The national chain online pharmacies do not have income limits, whereas Rx Outreach has a limit of 300% of the poverty level.

**Advantages**

- Reduced cost and convenience of home delivery.

**Disadvantages**

- Although discount pharmacies can be found using Internet search engines, caution is advised, as some of the listings are not legitimate.
- Using trustworthy sites like NeedyMeds to identify reputable online pharmacies or seeking online sites for well-known national pharmacies is wise.
- The FDA offers advice regarding online purchase of medication on its webpage, *Know the Signs* <http://www.fda.gov/Drugs/ResourcesForYou/Consumers/BuyingUsingMedicineSafely/BuyingMedicinesOvertheInternet/BeSafeRxKnowYourOnlinePharmacy/ucm318486.htm>

**Resource examples**

- Rx Outreach  
<http://www.rxoutreach.org/application-3/>
- Walmart Online Pharmacy  
<http://www.walmart.com/cp/pharmacy/5431>
- Drugstore.com Pharmacy Services by Walgreens  
<http://www.drugstore.com/walgreens-pharmacy/qxc292023>