

An Evaluation of Prescription Drug Copayments in the Oregon Health Plan Preliminary Analysis

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Background

- Cost-Sharing Premise
 - Requires beneficiary to pay a portion of the cost of service/product
 - Provide market based approach to encourage use of low-cost products or services
- Rx Cost-Sharing
 - 98% employer sponsored health plans
 - governmental (Veterans Administration, Department of Defense, Medicaid)

Rx Copayments in Medicaid

- 81% of states employ Rx copay structure
- Federal Medicaid mandate
 - Cost sharing be restricted to “nominal” amount
- Categorical exclusions
 - Pregnant women
 - Nursing and community based care facilities
 - Children <19

OHP Experience

- January 1, 2003: cost-sharing implemented
 - Rx
 - Outpatient services
- February, 2003: OHP2 Expansion
 - OHP Plus- categorically eligible
 - Rx, outpatient service copayment (\$2-\$3)
 - OHP Standard – working poor
 - Rx, outpatient, inpatient, etc copayment (\$2-250)
 - Monthly premium

OHP Rx Copayment Structure

February 1, 2003

	Plus	Standard	Carveout Drugs
Generic	\$2	\$2	\$2
Brand	\$3	\$15	\$3

*Carve-out Drugs are those that coverage is maintained for all OHP clients by OMAP regardless of their enrollment in a fully capitated health plan (antidepressants, antipsychotics, and mood stabilizers).

*\$3 Standard Clients for branded HIV, Cancer, and antirejection

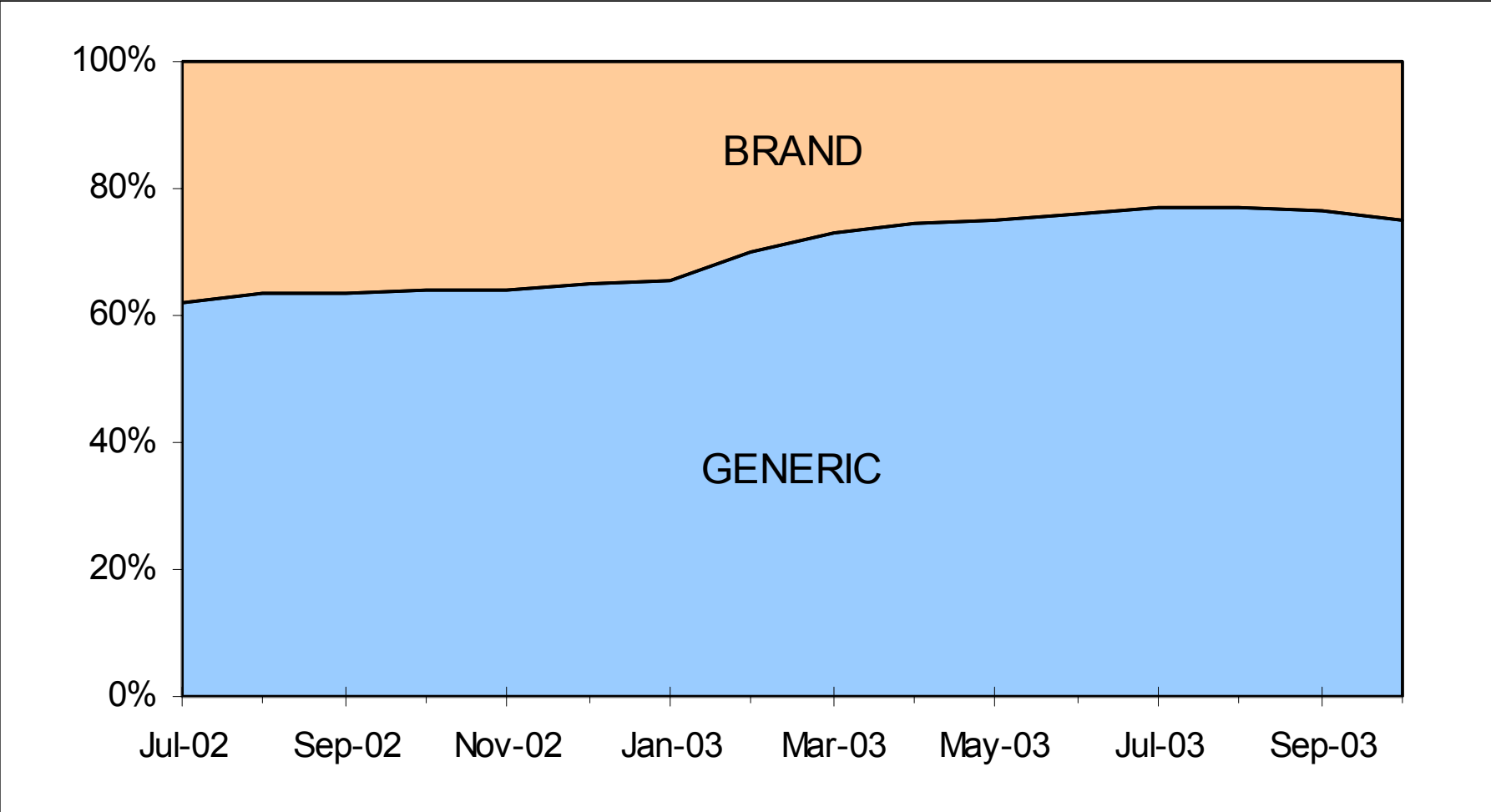
Methods of Evaluation

- Brand/Generic Mix
- Average \$/Rx
- Rx/Volume (count of no. dispensed Per Member Per Month)
- \$ Per Member Per Month
- Cohort Analysis – continuous eligibility (not enrolled in a Fully Capitated Health Plan)
 - Aggregate
 - Specific classes: cardiovascular, respiratory, diabetes, GI acid suppressant, Non Steroidal Anti-Inflammatory Drugs, narcotic analgesics

Exclusions

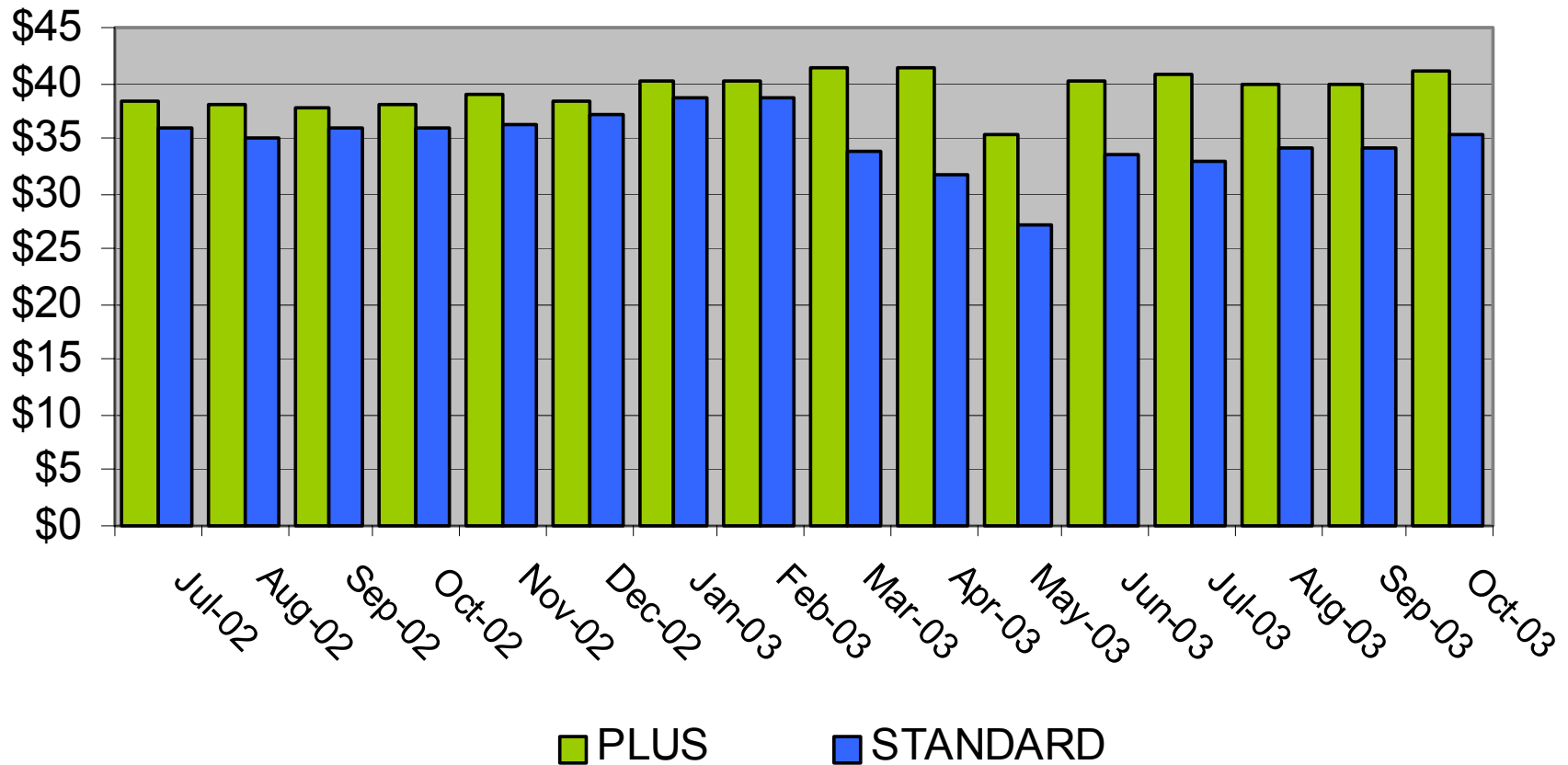
- Medically Needy
- Pregnant Women
- Age <19
- Native American/Native Alaskan
- Long Term Care facility
- Drug classes: family planning, infant formulas, nutritional supplements

Brand/Generic Volume Mix OHP Standard

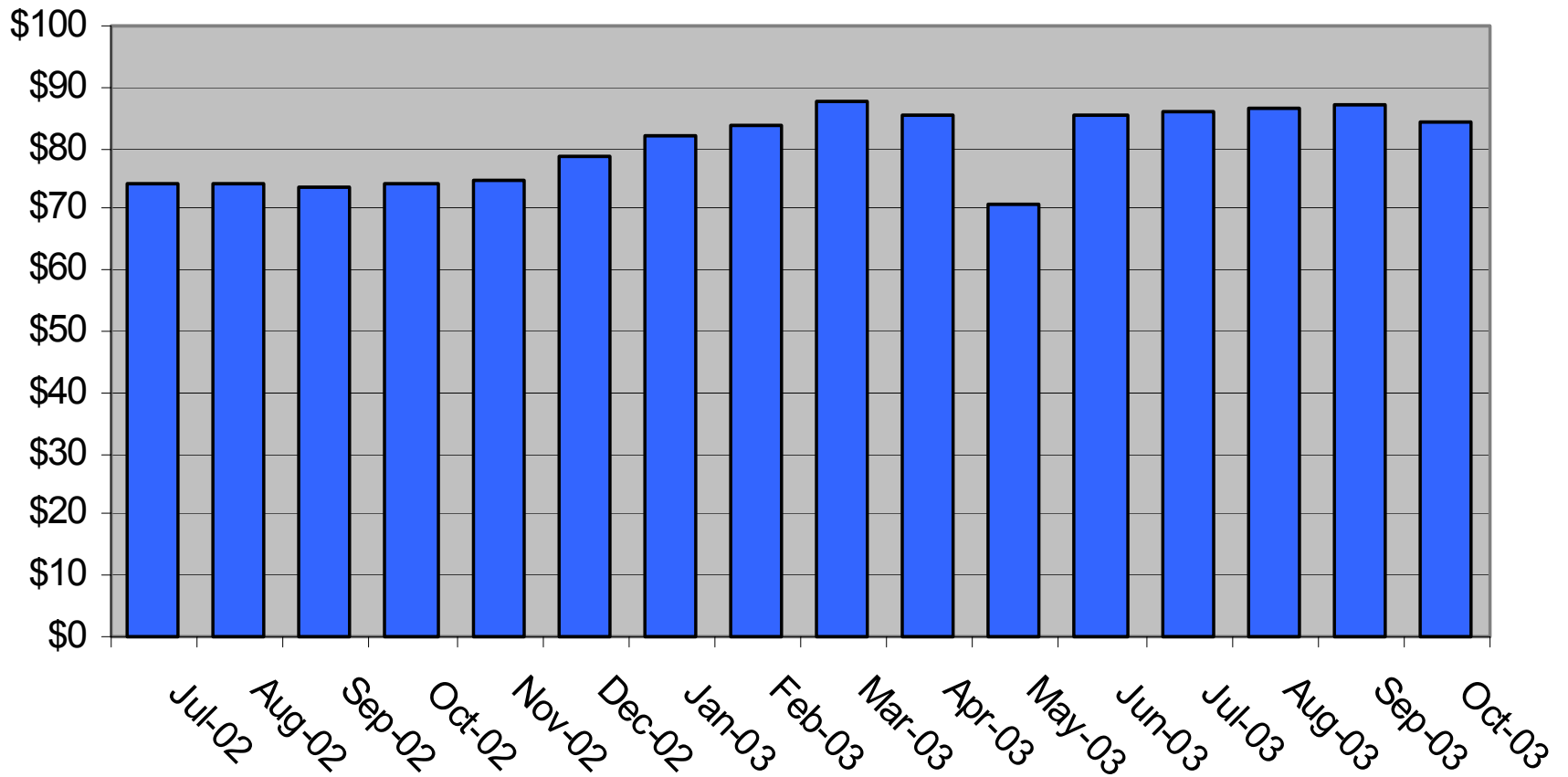


Average Cost/Rx

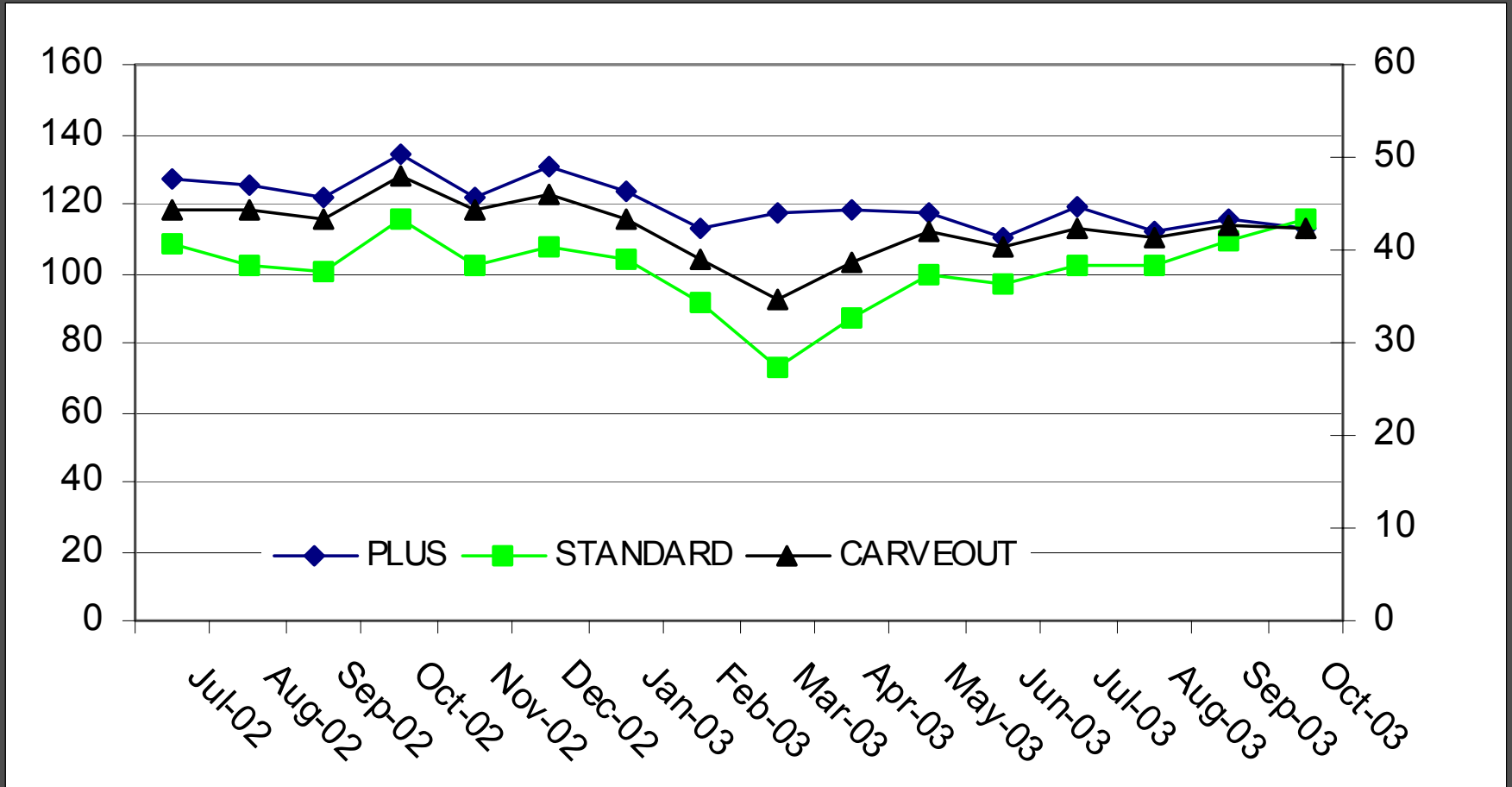
Non-carveout



Average Cost/Rx Carveout



Rx Dispensed PMPM



Cohort Analysis

Continuous eligible members with all same exclusions

- Standard/Plus Non-carveout – no Fully Capitated Health Plan
- Carveout – Fully Capitated Health Plan enrollment permitted

Plus

N = 20294

Ave Age = 50

Standard

N = 4244

Ave Age = 43

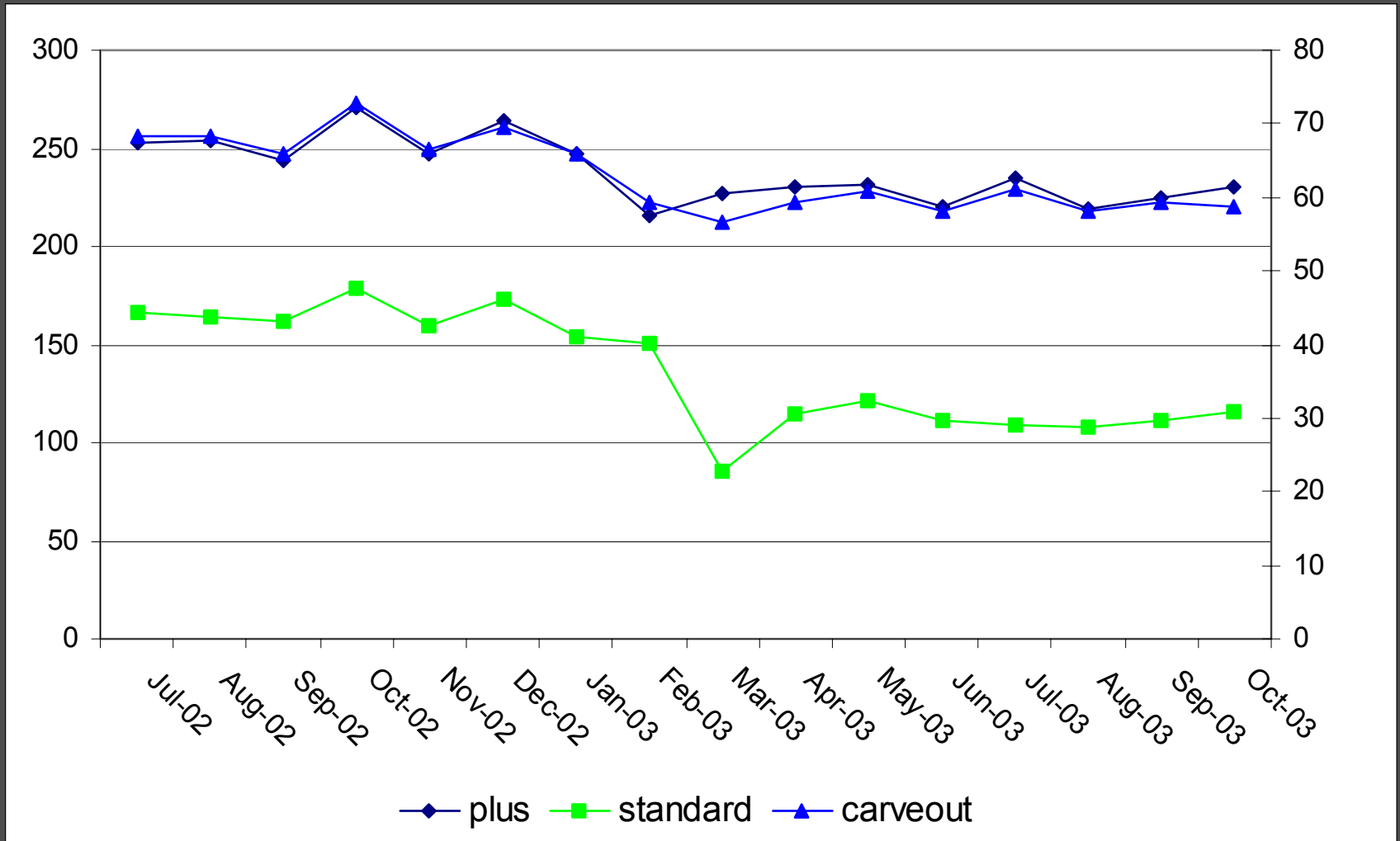
Carveout

N = 77437

Ave Age = 45

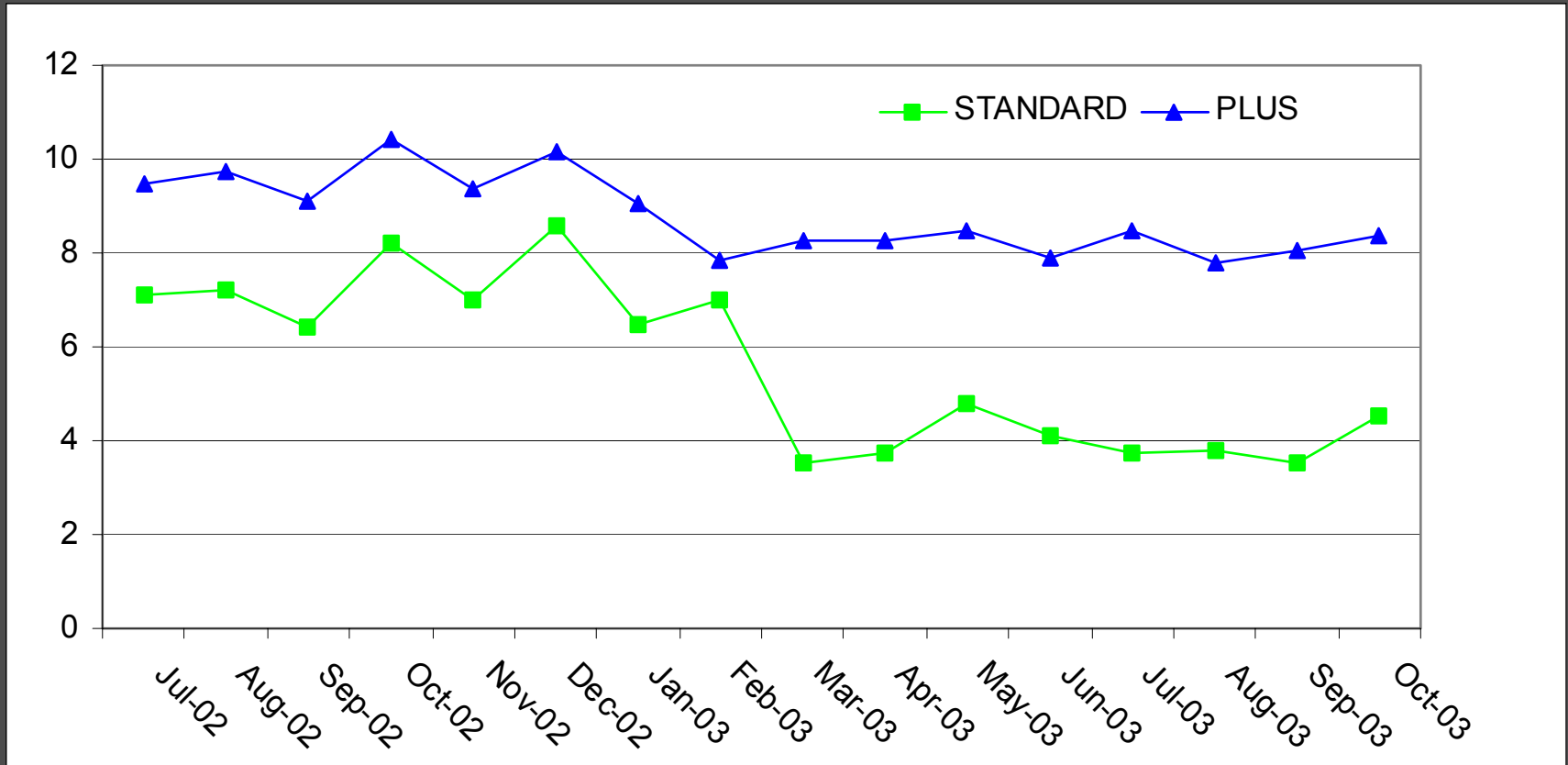
Rx Dispensed PMPM

Cohort Analysis



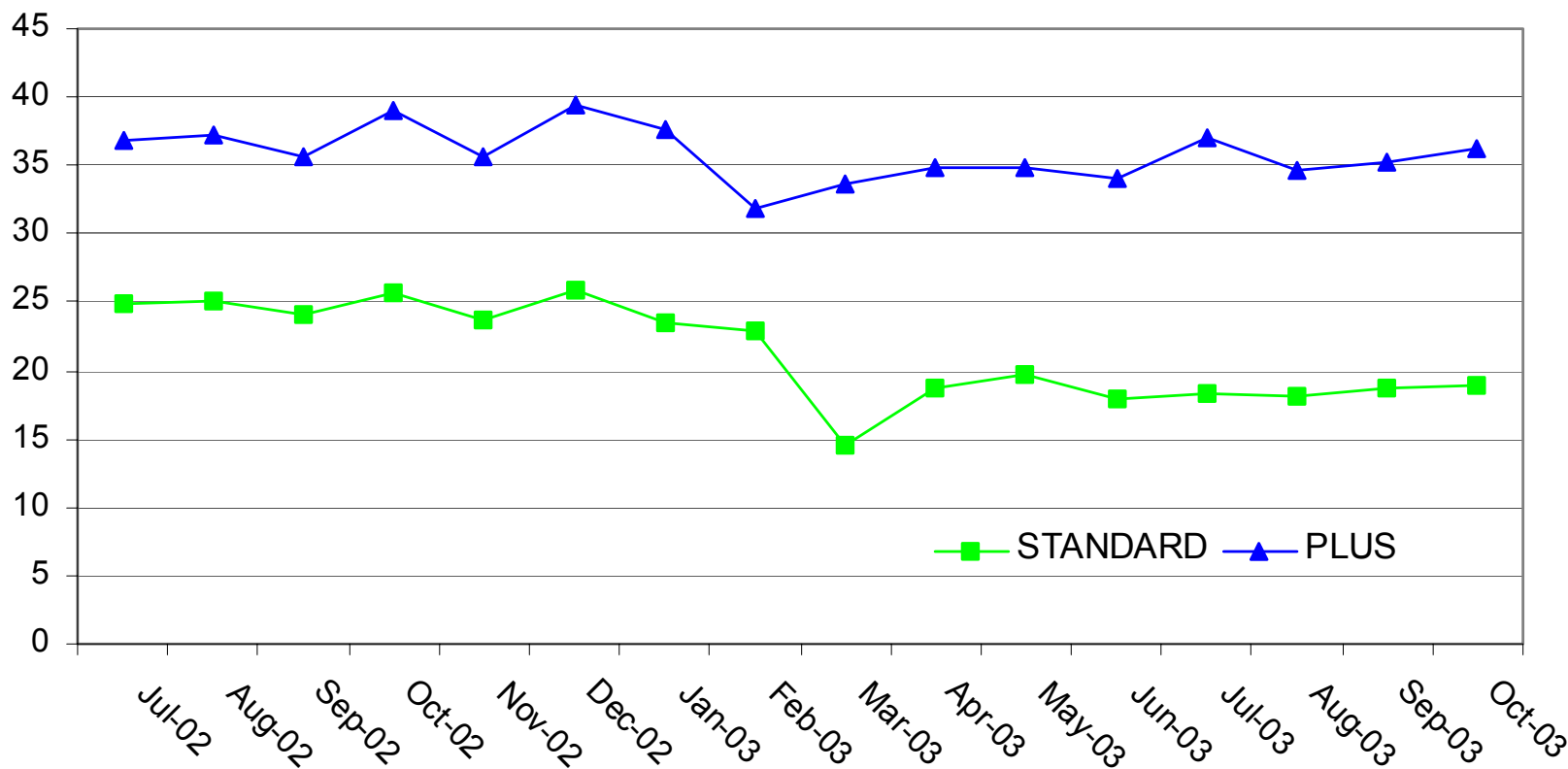
Rx Per 100 members

Respiratory Drugs Cohort Analysis



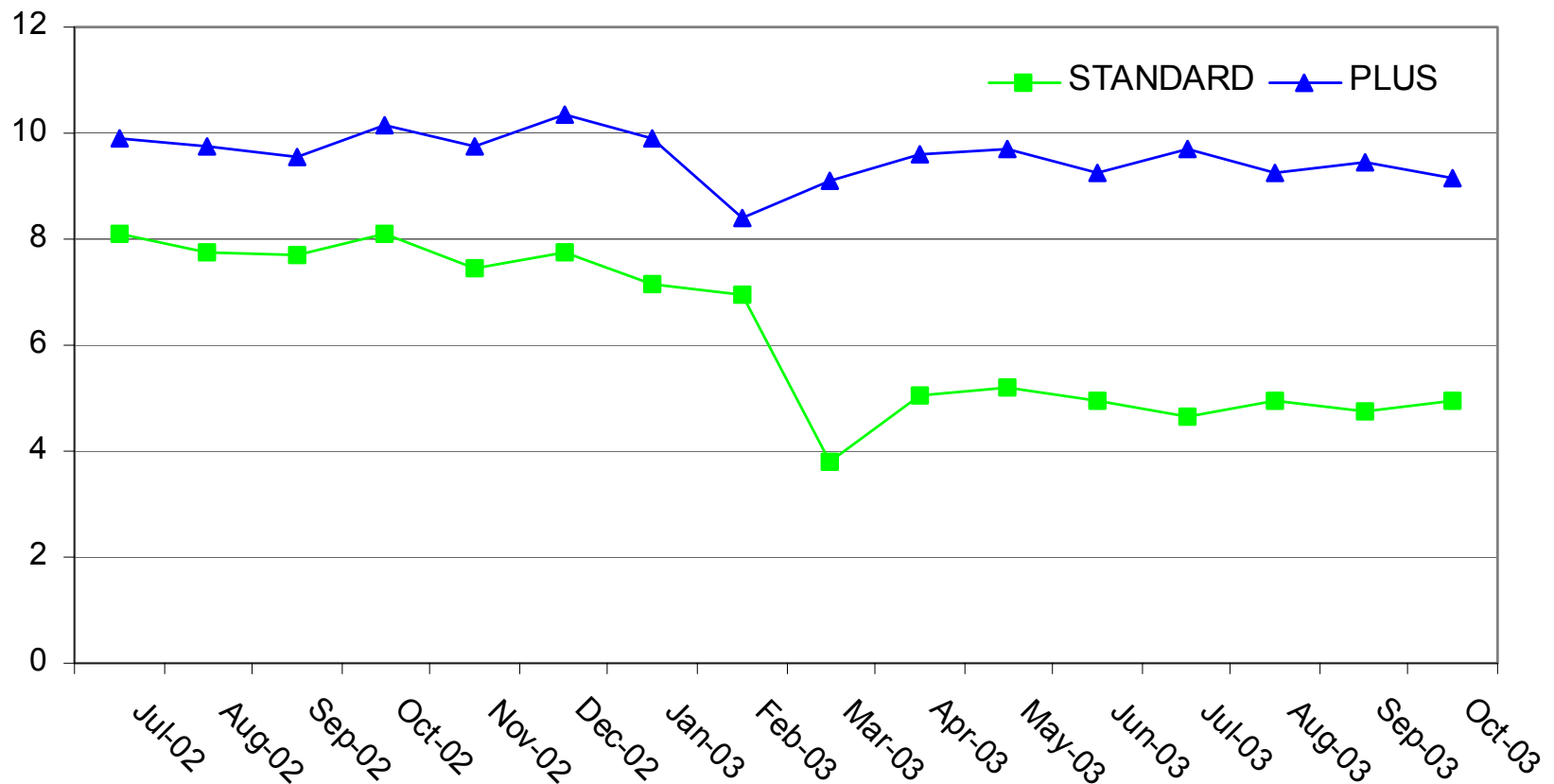
Rx Per 100 members

Cardiovascular Cohort Analysis



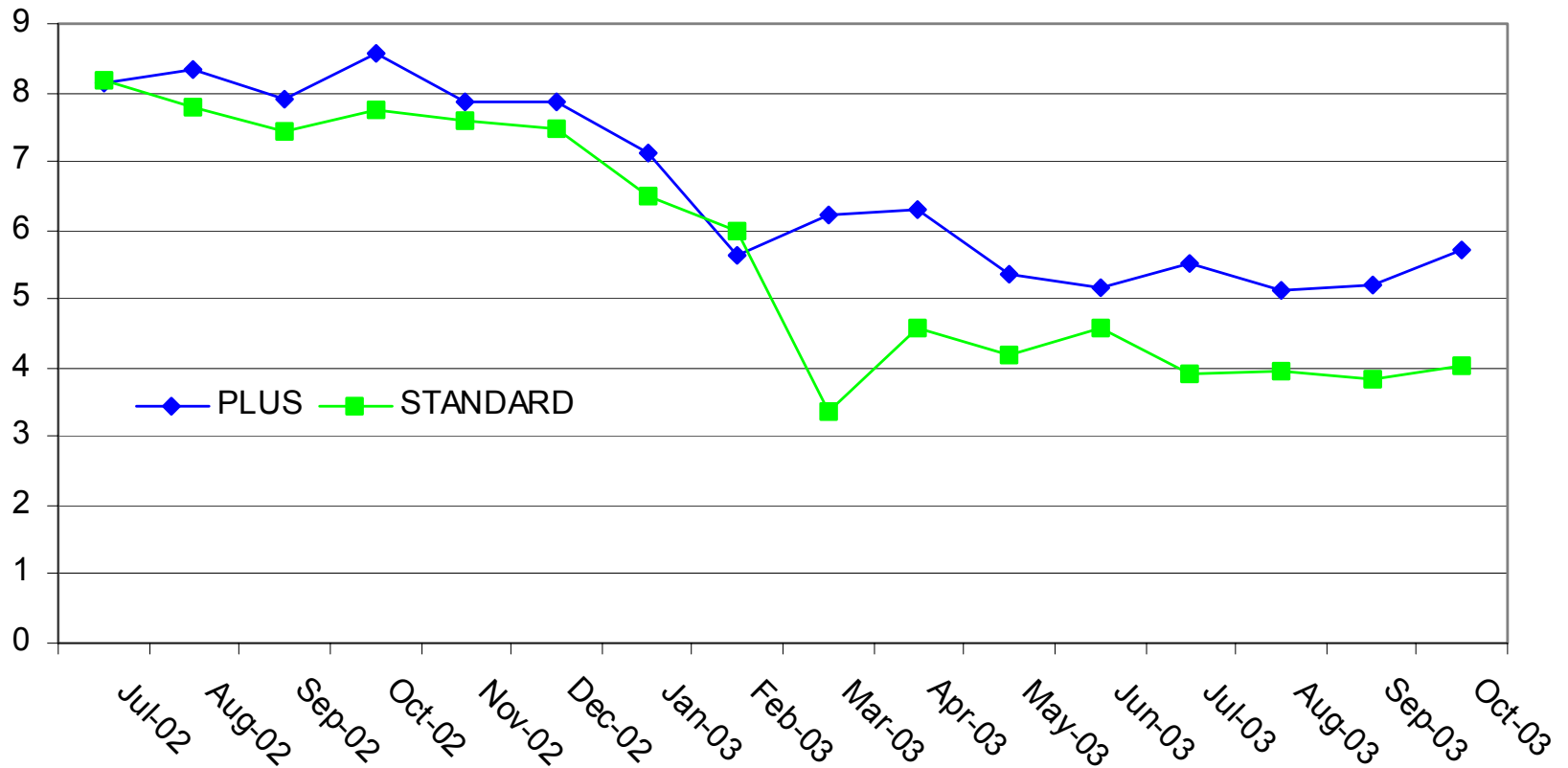
Rx Per 100 members

Anti-Diabetic Drugs Cohort Analysis



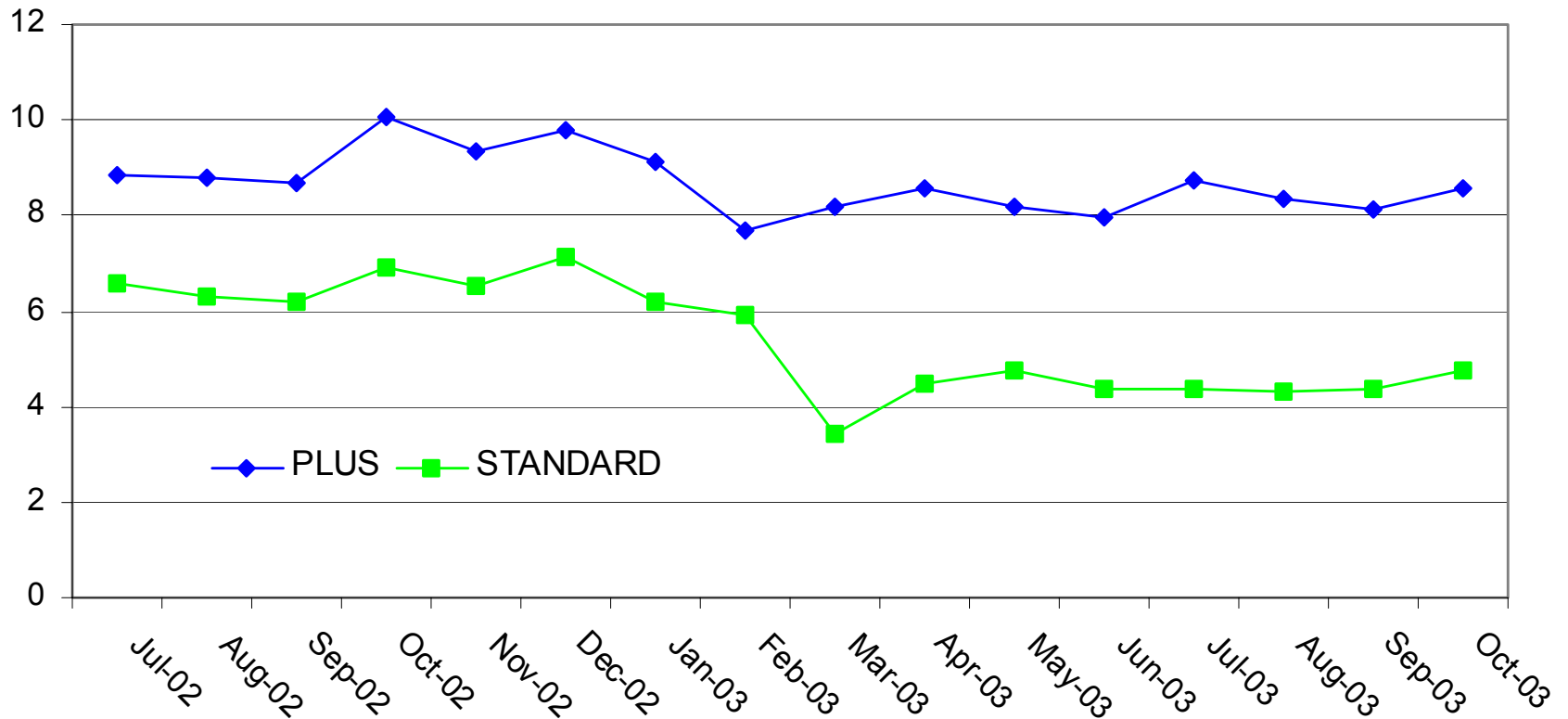
Rx Per 100 members

Non-Steroidal Anti-inflammatory Cohort Analysis



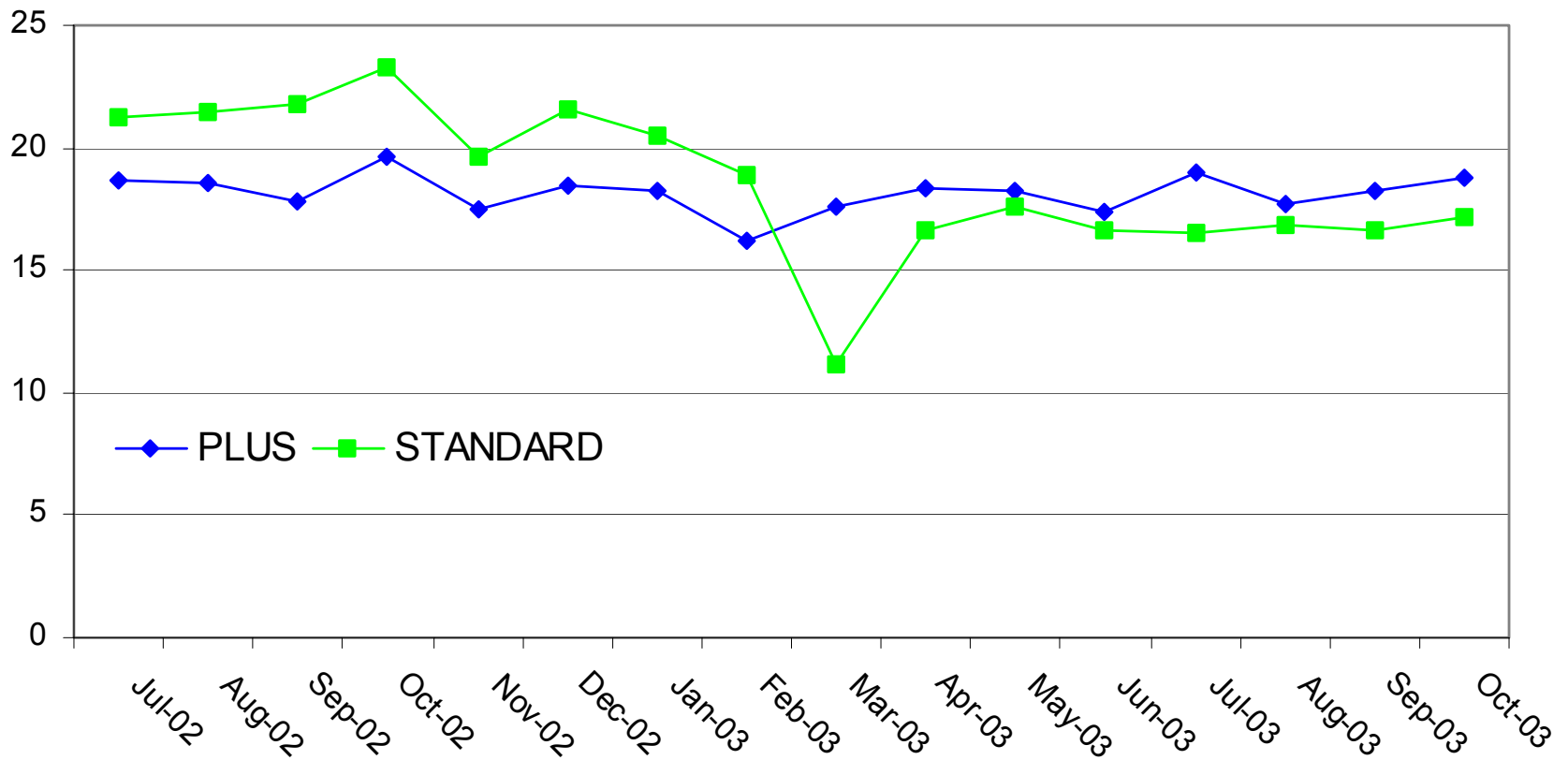
Rx Per 100 members

GI Acid Suppressants Cohort Analysis



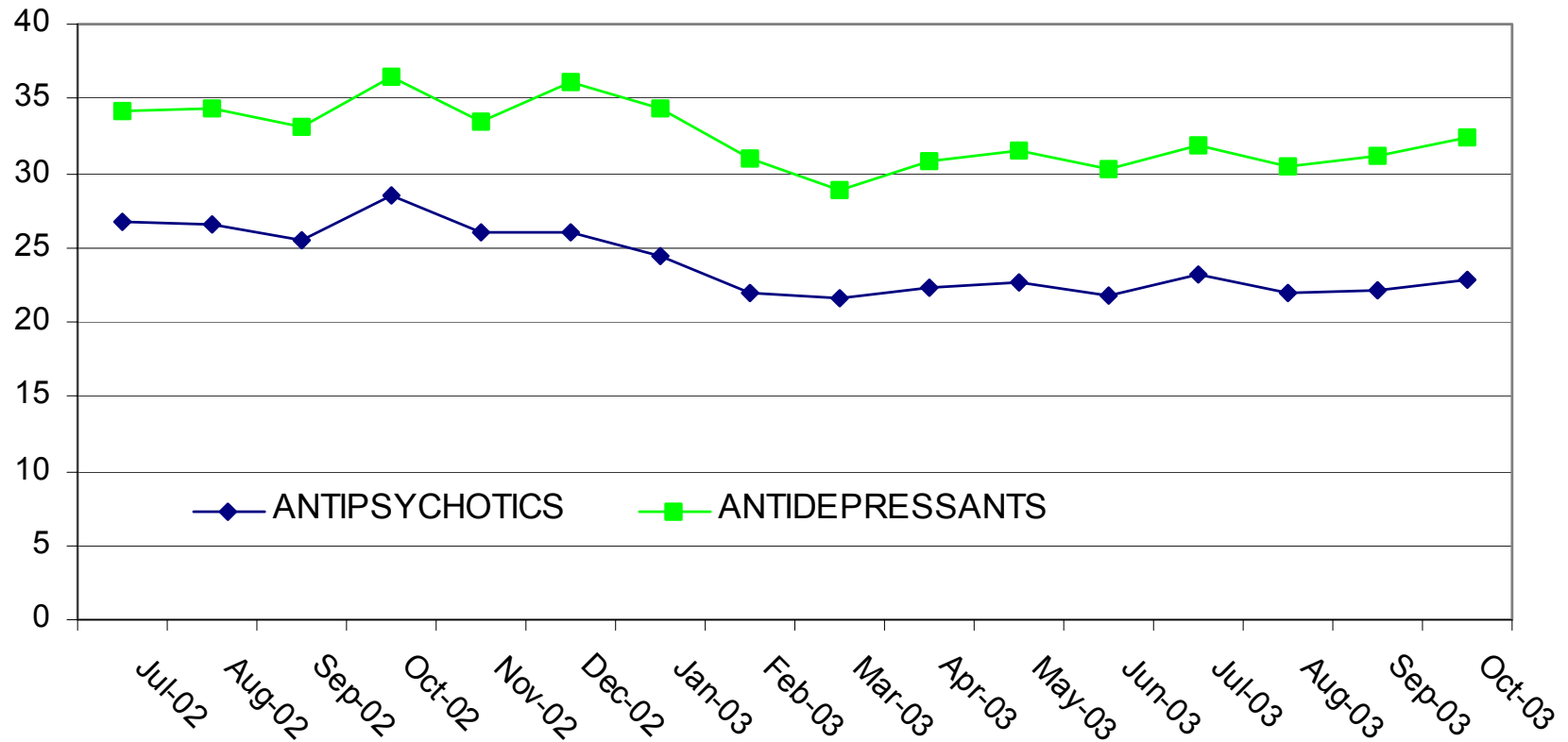
Rx Per 100 members

Narcotic Analgesics Cohort Analysis



Rx Per 100 members

Carveout Cohort Analysis



Rx Per 100 members

Summary

- Average cost/rx
 - ↓ Standard
 - ↑ Plus
 - ↑ Carveout
- Increase in generic market share
 - Standard > >> Plus >>>> Carveout
- Marked reductions in Rx utilization (cohort)
 - Standard: ↓ 33%
 - Plus: ↓ 11%
 - Carveout: ↓ 15%

Summary

- Reduction varied by therapeutic category (cohort)
 - Non-Steroidal Anti-Inflammatory Drugs (NSAIDs): 45% (Standard), 30% (Plus)
 - Respiratory: 45% (Standard), 15% (Plus)
 - Diabetes: 37% (Standard), 6% (Plus)
 - Narcotics: 23% (Standard), 2% (Plus)

Limitations

- Health outcomes not assessed
- No control cohort
 - Discontinuation of critical medications
 - Shifting to generic alternatives
 - Medical service use (e.g. Emergency Department visits)

Limitations

- Impact of other concomitant policies
 - Temporary suspension of benefits May 2003
 - Physician Managed Prescription Drug Program (PMPDP) In May 2003, prescribers of drugs not on the PMPDP lists were required to actively request a “Prior Authorization” by calling the State’s pharmacy claims administrator. Prescribers were required only to listen to or read an educational message regarding the PMPDP research in order to receive the exception. The 2003 legislature passed a mandate (HB 3624) that prohibited OMAP from using “Prior Authorization.”
 - October 1, 2003 the PDL reverted back to a voluntary process.