

COST-MOTIVATED TREATMENT CHANGES & NON-MEDICAL SWITCHING

Commercial Health Plans Analysis

Non-medical switching occurs when health plans drive stable patients to switch from their current medication to a less expensive alternative. It can occur several different ways: by changing the list of approved drugs, by incentivizing pharmacists or physicians to switch a patient’s medication, or by limiting or eliminating the use of co-pay coupons that patients need to afford their medication.

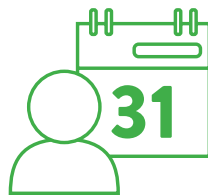
Non-medical switching can hurt patients, who may see symptoms re-emerge or lose ground on stabilizing chronic conditions. Given non-medical switching’s detrimental impact on patients, the Institute for Patient Access was compelled to ask: Does non-medical switching actually generate the cost savings that health plans envision?

FINDINGS SUMMARY

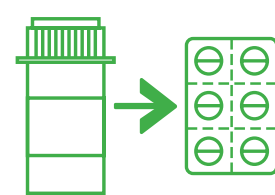
To explore this question, the Institute for Patient Access examined a subset of 2011-2015 data from Truven’s MarketScan® Commercial Claims and Encounters and Medicare Supplemental database, which includes information for 3.9 million people.



A potentially cost-motivated change in treatment can yield higher average non-drug expenses later on.



Patients who did not switch medications had the lowest per-member, per-month spending.



Switching was indicative of a disrupted course of care. Of patients who made an initial switch, those in eight disease states were likely to make subsequent switches.

Patients who underwent multiple switches also saw higher average non-drug costs downstream.

These trends emerged for patients with:

- Asthma
- Chronic pain
- Chronic obstructive pulmonary disorder
- Crohn’s disease
- Hypercholesterolemia
- Multiple sclerosis
- Osteoporosis
- Psoriasis
- Rheumatoid arthritis.

The Institute for Patient Access discovered similar findings for rheumatoid arthritis patients in its 2016 analysis of Medicare Part B claims.

AVERAGE INCREASES IN NON-DRUG SPENDING BY DISEASE STATE

	No Switch	Switch to Lower-Cost Rx	Multiple Switches
Asthma	\$975	\$1,035	\$1,425
Chronic pain	\$2,859	\$4,141	\$4,886
COPD	\$1,307	\$2,316	\$3,171
Crohn’s disease	\$2,072	\$4,499	\$4,890
Hypercholesterolemia	\$1,829	\$1,977	\$2,042
Multiple sclerosis	\$1,766	\$4,362	\$2,625
Osteoporosis	\$1,467	\$1,997	\$1,540
Psoriasis	\$588	\$648	\$671
Rheumatoid arthritis	\$1,474	\$1,894	\$1,714

Figures are per-member, per-month averages. Increases are measured from six months prior to the patients’ diagnosis to 12 months after initial diagnosis, which may explain why even patients who do not switch medication experience an increase in health care expenses.

COST-MOTIVATED SWITCHING ANALYSIS

The Institute for Patient Access’s examination of 2011-2015 data from Truven’s MarketScan® Commercial Claims and Encounters and Medicare Supplemental database included both physician office and pharmacy claims. IfPA analyzed:

- The prevalence of switching for certain patient populations
- The drug and non-drug costs of those populations before and after switching.

Claims data does not reveal the rationale for changing a course of treatment. Therefore, for the purpose of this analysis, IfPA researchers arrived at two logical conclusions:

- 1.) Switching to a higher-cost drug was most likely not cost motivated.
- 2.) Switching to a materially lower-cost drug could be cost motivated. These switches, therefore, framed the analysis of how cost-motivated switches can impact overall care and cost.

POLICY IMPLICATIONS

These findings suggest that cost-motivated treatment changes can impact patients' health care utilization, course of care and related costs, a point that should resonate with both private and government health insurers. In particular:

▶ **Opting for a lower-cost medication does not necessarily reduce overall expenses.**

Data indicate that lowering medication costs may not be a wise – or effective – long-term strategy for reducing health care expenses. Continuity of care for patients with pre-existing prescriptions for their chronic conditions, on the other hand, could keep costs low.

▶ **Switching can impact patient care and overall expenses.**

An initial switch may set patients on the path for multiple switches. Patients who undergo multiple switches also see increases in overall health care costs later on.



The research underlying this brief was conducted on behalf of the Institute for Patient Access by The Moran Company.

The Institute for Patient Access is a physician led nonprofit 501(c)(3) research organization promoting the benefits of the physician-patient relationship in the provision of quality healthcare.

To learn more visit www.AllianceforPatientAccess.org.

