



In the Literature

Highlights from Commonwealth Fund–Supported Studies in Professional Journals

Trends in the Financial Burden of Medical Care for Nonelderly Adults with Diabetes, 2001 to 2009

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Synopsis

Despite the increased prevalence of diabetes over the past decade, the financial burden borne by patients for treatment of the disease has actually decreased. For example, patients' out-of-pocket spending on prescription medications dropped from \$1,095 over the period 2001 to 2003 to \$763 over 2007 to 2009, largely because of a shift from brand-name drugs to generics.

The Issue

Diabetes is a large and growing public health issue in the United States. From 2000 to 2010, the proportion of the adult population with this chronic condition increased from 6 percent to 9 percent, or to about 21 million people. In addition to its serious health consequences, diabetes presents a major financial challenge for individuals and the health system. In 2007, the estimated medical costs associated with diabetes were \$116 billion, with average medical expenses 2.3 times higher for people with the disease compared to those without. The high cost and intensity of treatment, combined with the prevalence of comorbid conditions, can often act as a barrier for patients. Commonwealth Fund–supported researchers examined trends over the past decade in out-of-pocket spending and other medical costs for people with diabetes.

“Increases in the use of generic medications . . . have increased affordability of [diabetes] treatment.”

Key Findings

- Average out-of-pocket spending for people with diabetes decreased between 2001 and 2009. On average, people with diabetes spent \$1,373 out-of-pocket on medical care in the period 2007 to 2009 compared with \$1,624 in 2004 to 2006. Out-of-pocket health care spending did not decrease significantly for the general population during the study period.

- Spending on prescription drugs accounted for more than half of all out-of-pocket spending for people with diabetes from 2007 to 2009. However, out-of-pocket spending on prescription medications decreased sharply, from \$1,095 in the period 2001 to 2003 to \$763 in 2007 to 2009.
- Generic drugs accounted for 52.9 percent of all diabetes-related prescriptions in 2007 to 2009, up from 46.9 percent in 2005 to 2006. The authors estimate that the increase in generic prescriptions accounts for 83 percent of the decrease in out-of-pocket spending.
- The percentage of diabetes patients with “high financial burdens”—those in families that spend more than 10 percent of income on health care—decreased, from 23.9 percent in 2001 to 2003 to 18.6 percent in 2007 to 2009.
- Despite an increase in comorbid conditions among people with diabetes, there was a decrease in hospital stays or emergency room visits over the study period.
- Consistent with the increased affordability of prescription drugs, fewer people with diabetes reported problems gaining access to prescriptions in 2007 to 2009 compared with earlier years.

Addressing the Problem

While the prevalence of diabetes has increased over the past decade, the financial burden it creates for patients has decreased. In addition to a general shift toward generic medications, the authors’ analysis shows that out-of-pocket spending decreased for all prescriptions. This might reflect changes in physicians’ prescribing behavior or in how patients obtain prescriptions, such as through lower-cost mail order. Some of the decrease in spending may also reflect a movement toward value-based benefits, including the availability of very low cost-sharing for certain prescriptions as a way to encourage their use, or prescription drug tiers that encourage consumers to prioritize generics or medications important for preventive care. Although increasing prevalence of diabetes will lead to higher health system costs overall, more affordable access to prescription drugs and treatment may offset some of these costs if it allows people to avoid hospital stays and emergency department visits, the authors conclude.

About the Study

The researchers used data from the 2001 to 2009 Medical Expenditure Panel Survey–Household Component, a survey conducted annually by the federal Agency for Healthcare Research and Quality. The sample included people ages 18 to 64 who reported that a physician or other health provider told them they had diabetes.

The Bottom Line

Out-of-pocket spending over the past decade decreased for people with diabetes, a reduction driven primarily by a lower spending on prescription drugs. The greater availability and use of generic drugs accounts for much of this reduction.

Citation

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