

13 The effect of the introduction of therapeutic group premiums on patient care

13.1 Background

In the 1997 Budget, the Government announced that it intended to extend the price premium arrangements to apply to groups of drugs that had similar clinical activity. These therapeutic group premiums (TGPs) were introduced from 1 February 1998. This policy was in effect an extension of the earlier Brand Pricing Policy where premiums were applied to individual bio-equivalent brands of a particular drug.

The four therapeutic groups for which premiums were introduced were: the ACE inhibitors, the calcium channel blockers (both used to treat cardiovascular disease), the 'statin' group of drugs used for lowering blood cholesterol, and the H₂ receptor antagonists for the treatment of peptic ulcer.

The Government subsidy for the drugs in these therapeutic groups is based on the benchmark price (i.e. the lowest priced drug/s in each group), and the price difference for a more expensive drug within the relevant group is paid by the patient over and above the relevant patient co-payment. The level of the premium is determined by the sponsor of the drug. Under the TGP policy, exemptions to paying the premium were available, on application by the prescriber, to patients who could not (for clinical or compliance reasons) tolerate the benchmark priced drug.

This study aimed to investigate the extent to which these changes on 1 February 1998 led to patients changing their medication and whether they affected the outcomes of the health care. It was conducted in a five-week period in August–September 1998, approximately six months after the introduction of the premiums.

13.2 Research questions

Overview: Did increased charges for selected drug classes lead to a change in medications prescribed for upper gastrointestinal (UGI) problems and hypertension, and did this affect patient outcomes?

1. What proportion of general practice patients are currently taking anti-hypertensive and/or ulcer medications?
2. What proportion of these patients changed their medication in the previous six months?
3. What proportion of these changed due to additional charges for the old medication?
4. Who suggested the change in medication?
5. What was the effect of the new medication?

13.3 SAND questions

Box 13.1: Reaction to increased costs of medication

GPs asked the patients:

- | | |
|---|---------------------------------------|
| ◆ Do you take medication for blood pressure or ulcers? | Yes / No |
| ◆ Have you changed your blood pressure or ulcer medicines since February this year? | Yes / No |
| ◆ Was this change in medication due to additional charges for the old medication? | Yes / No |
| ◆ Who suggested the change? | Doctor
Self
Pharmacist
Other |
| ◆ Has the new medicine: | |
| Worked as well? | Yes / No |
| Had new or different side-effects? | Yes / No |
| Meant more visits to your GP? | Yes / No |
| ◆ Overall, has the change in medication affected your: | |
| Usual activities? | Better / Same / Worse |
| Well being? | Better / Same / Worse |
| Satisfaction with your overall care? | Better / Same / Worse |

13.4 Results

Sample size was 3,641 patient encounters from 192 GPs.

Anti-hypertensive medications were being taken by 18.5% of the patients, while prescribed ulcer medication was being taken by 6.5% of patients. Some patients were taking both, such that about one in five was taking at least one anti-hypertensive or ulcer medication.

More than one-quarter (27.4%) of these 808 people, reported a change in at least one of these medications in the previous six months. The additional cost of the old medication as a result of the introduction of the therapeutic group premiums was cited as the reason for change by only 58 patients, one-quarter (26.2%) of those whose medication had changed and only 7.2% of those taking at least one of these medication types.

Changes in medication due to the TGP policy were slightly more common for anti-hypertensives (7.0% of those on such medication) than for ulcer medications (5.5%) (Table 13.1). Change was slightly more likely for patients aged 75 years or more than for those in younger age groups (Figure 13.1).

Table 13.1: Prevalence of use of selected drugs groups and of changes in medication

Medication type and change status	n	% (n=3, 641)	% of taking	% of changed
Patients taking anti-hypertensives	674	18.5	100.0	..
medication changed in last six months	183	5.0	27.2	100.0
changed due to charge	47	1.3	7.0	25.7
Patients taking ulcer medication	235	6.5	100.0	..
medication changed in last six months	48	1.3	20.4	100.0
changed due to charge	13	0.4	5.5	27.1
Patients taking at least one anti-hypertensive or ulcer medication.	808	22.2	100.0	..
at least one medication changed in last six months	221	6.1	27.4	100.0
at least one changed due to charge	58	1.6	7.2	26.2

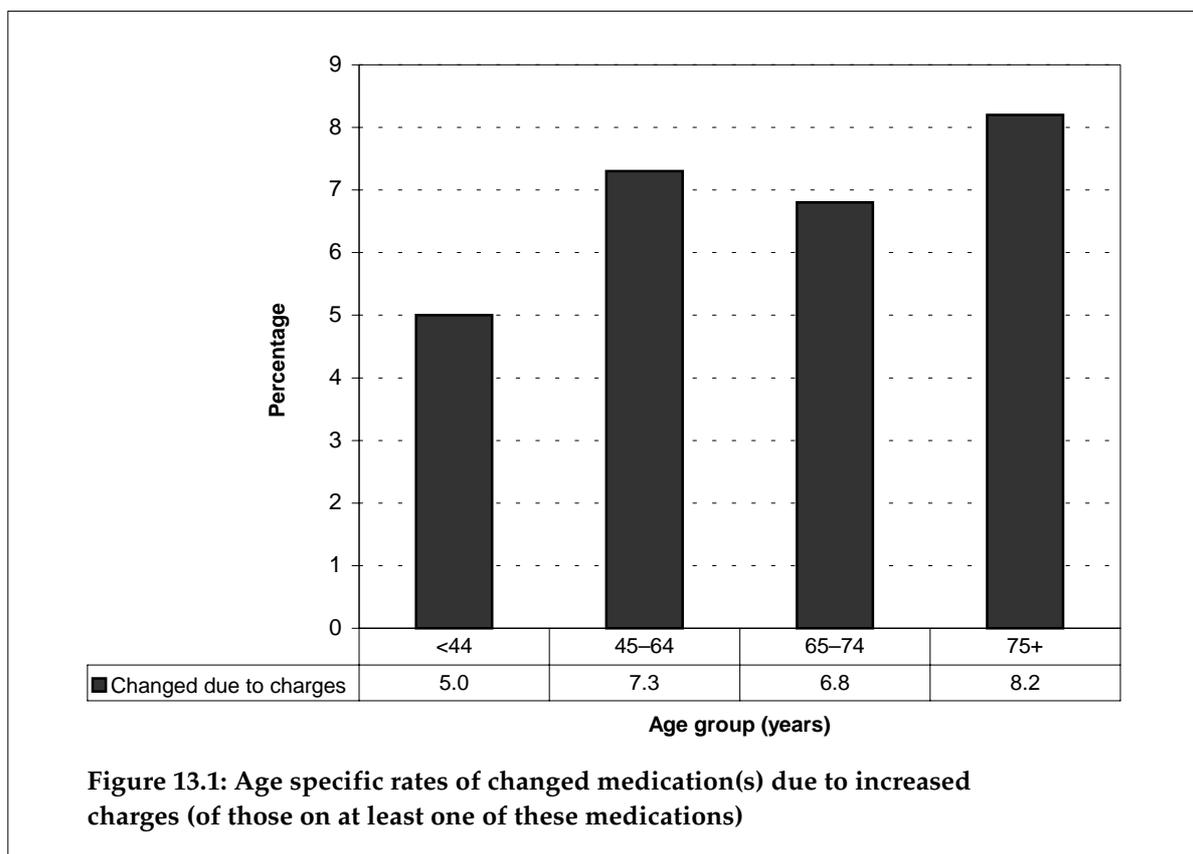


Figure 13.1: Age specific rates of changed medication(s) due to increased charges (of those on at least one of these medications)

Information about who suggested the change in medication was obtained at 34 of these encounters. Sixteen changes due to price premiums were suggested by a doctor, three were self-initiated while fifteen were suggested by a pharmacist.

Only one of the 58 people felt that the change in medication had adversely affected their usual activities. The majority also felt that it had not had any affect on their well being (85.4%) or their satisfaction with their overall care (85.4%) However, a small proportion felt that the change had a detrimental effect on their well being and some were therefore less satisfied with their care. (Table 13.2).

Table 13.2: Effect of change in medication on patients (n=58)

	Better (n)	Same (n)	Worse (n)
Usual activities	0	57	1
Well being	1	50	7
Patient satisfaction	5	50	4

Two-thirds (69.9%) of those patients who changed medication due to the increased costs felt that the new medication worked as well as the old one. New or different side-effects were reported by 19.0% of these patients, and one in four (25.9%) said that they had had more visits to their GP as a result of the change in medication.

13.5 Discussion

The increased costs of some anti-hypertensives and anti-ulcerants led to very few changes in medication by this sample of patients. In the small proportion who made a change as a result of increased costs, by far the majority had no ill effects as a result. A very small number reported adverse effects of the new medication when compared with the old, and a few patients needed more visits to the GP as a result of the change. However numbers were very small so any conclusions drawn should only be tentative.