MEDICAL EDUCATION
Cost-Effective Prescribing
Susanna Smith

We live in lean times. Coupon cutting and frugal living may pare down spending in many parts of the budget, but it's hard to get discount health care. When you get an ear infection you can't call around to the local medical practices for a price comparison. You cannot be a 30-day trial patient or get a free sample visit. So how can you, as a patient, be sure that you are getting the most for your money when it comes to health care? And how can physicians best offer their patients cost-effective care? The key to cutting spending on health care may be cost-effective prescription medications.

There is an endless stream of direct-to-consumer advertisements for everything from Allegra to Zantac, but what you don't often see advertised are the prices of these medicines. The average American uses about 10 prescriptions a year, accounting for 8 percent of the nation's health expenditures; a percentage which is expected to rise in the coming decade.1 Some estimates put the percent of health expenditures on prescription medication at 20 to 25 percent for working-age adults.2 Many patients, such as those who are uninsured and those who are dependent on Medicare, pay the full cost of their prescription medications out-of-pocket. Doctors report that a major reason for non-compliance is a patient's inability to pay for a medication, which may be exacerbated by physicians' lack of knowledge about drug prices.3

Left to their own devices, some patients have turned to potentially dangerous practices such as taking a lower dose than prescribed, sharing old prescriptions with family members, and splitting pills to save on prescription drug costs. More savvy consumers have started ordering prescription drugs from Internet sources that can provide lower-price medications from overseas. The message doctors should be receiving is that some patients do just about anything to cut drug costs. What are physicians doing on their part to offer their patients the safest and most affordable treatments?

One of the primary ways physicians can practice cost-effective prescribing is by offering patients a generic medication when one is available. For example, a year's worth of the same daily dosage of the anti-depressant Desyrel would cost an out-of-pocket payer about $1,080, whereas a year's supply of the generic form costs $35.10.4 One study published in the Archives of Family Medicine suggested that these shocking differences in price might come as a surprise to many physicians. Its
A similar study published in the *Archives of Internal Medicine* underscored the fact of physician ignorance about drug costs, finding that 80 percent of the 134 physician respondents stated they were unaware of drug prices. In this study only 33 percent of the respondents thought they had easy access to drug price information, and only 13 percent said they had been formally educated about cost-effective treatments. The knowledge deficits, which were found to be especially prevalent among residents, support the claim of physicians that they do not receive formal training on cost-effective prescribing methods. Considering how drug cost can influence patient compliance with the recommended treatment, residency programs should include sessions about cost-effective prescribing.

Doctors are not blind to the need for cost-effective prescribing, but many may not know enough about drug costs or a patient's prescription drug insurance plan to offer the patient the most in drug efficacy and financial savings. For example, the authors of 1 survey stated they were "struck by the fact that nearly a third of physicians did not appear to understand that Medicare does not pay for medications." Doctors are aware, however, that not having prescription drug insurance places a heavy financial burden on patients. More than 70 percent of doctors in the *Archives of Internal Medicine Survey* reported their choice of medication was influenced by whether or not a patient had prescription drug insurance. But these physicians forgot to ask about the patient's prescription drug insurance more than half the time when actually writing the prescription.

When a patient's health insurance includes a prescription drug plan, part of the cost of expensive drugs may be borne by the patient anyway through a higher co-payment. With tiered drug insurance plans, the consumer pays a lower co-payment for generic medications than for brand-name drugs. Some insurance plans even distinguish between "preferred" brand-name drugs and "non-preferred" brand-name drugs, charging consumers more for a non-preferred brand. Many employers and health insurance companies have used the tiered system as a strategy to encourage patients and physicians to use fewer and less expensive drugs. But are most physicians aware of these types of plans? And do they have easy access to find out how much a particular patient with a specific insurance plan will pay for a chosen prescription?

With all the other demands on a doctor, is it reasonable to hold him or her responsible for offering cost-effective medications? Doctors are in a unique position to direct their patients drug purchases, since a patients cannot obtain prescription drugs without a physician's recommendation. The patient's dependence on the physician suggests that the doctor should be conscious of helping patients receive
cost-effective drugs by prescribing generic medications when they are available. Tools like the palm-held organizer, now required in many medical schools, which offer programs like ePocrates Rx TM, can aid doctors in quickly finding the prices of medications. But a doctor cannot be expected to know how a patient's prescription drug plan will charge for a particular drug. For physicians to be well informed about cost-effective medication they need more tools. One of the best resources for a doctor is an informed patient. Patients should also be held accountable for understanding how their own insurance plan charges for prescription drugs and making inquiries to the doctor about cost-effective medications.

A drug price resource can be found at:

References

Susanna Smith is a research assistant in the AMA Ethics Standards Group.

The viewpoints expressed on this site are those of the authors and do not necessarily reflect the views and policies of the AMA.

Copyright 2002 American Medical Association. All rights reserved.