

When drug manufacturers raise the list price for prescription drugs, do patients' out-of-pocket costs rise too?

4 May 2021



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When drug manufacturers raise the list price for brand-name prescription drugs, do patients' out-of-pocket costs rise too? A new study published in *JAMA Network Open* by Dr. Benjamin Rome and colleagues in the Brigham's Division of Pharmacoepidemiology and Pharmacoeconomics finds that more than half of patients may experience increases in out-of-pocket spending when drug prices increase.

Rome and co-authors studied 79 brand-name drugs and found that the "list price" charged by [drug manufacturers](#) increased 16.7 percent, the "net price" (after manufacturer rebates) by 5.4 percent, and average out-of-pocket costs by 3.5 percent from 2015 to 2017. Some commercially insured patients who pay only prescription drug copayments were insulated from the increase in drug's list prices, but patients with coinsurance or deductibles experienced out-of-pocket spending increases of 15 percent over this time, corresponding with the changes in prices. Among

these patients, researchers found no evidence that manufacturer rebates offset out-of-pocket expenses.

"The exorbitant and unregulated prices set by drug manufacturers affect how much patients pay," said Rome. "Pharmaceutical companies often argue that the high list [prices](#) for their medicines are not important, but we found that many [patients](#) are responsible for coinsurance or deductibles, which exposes them to the annual price hikes that are common practice by many [pharmaceutical companies](#)."

More information: *JAMA Network Open* (2021). jamanetwork.com/journals/jamanetworkopen.2021.8816

Provided by Brigham and Women's Hospital

APA citation: When drug manufacturers raise the list price for prescription drugs, do patients' out-of-pocket costs rise too? (2021, May 4) retrieved 4 June 2022 from <https://medicalxpress.com/news/2021-05-drug-price-prescription-drugs-patients.html>

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