



## Thomson Reuters Study Finds Step Therapy Programs May Increase Overall Healthcare Costs for Employers

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ANN ARBOR, Mich., March 30 /PRNewswire/ -- A health insurance protocol intended to promote the use of effective, cheaper medications may create barriers that lead people to receive less of needed medications, according to a Thomson Reuters study. As a result, patients ultimately require more -- and more costly -- medical care.

The protocol, called "step therapy," requires health plan members to try a first-line medication before they can receive coverage for a second-line medication. (Step therapy is not the same as programs which encourage the substitution of a generic medication for the same brand name medication. Step therapy requires certain types of medications within a class of drugs to be used before a second-line medication is tried, unless a physician obtains prior authorization.)

In the study, a group of patients treated for hypertension under a step therapy program filled prescriptions for less anti-hypertensive medication -- by 7.9 percent -- than a comparison group with no step therapy requirement. The step therapy group also had 3.1 percent lower drug costs. (These effects declined in each subsequent quarter.)

As drug utilization declined, hospital admissions and emergency room visits increased. Two years after the step therapy provision was implemented, the step therapy patients incurred \$99 more in healthcare costs per quarter, on average, than the comparison group.

"Under step therapy, patients who are newly prescribed a second-line medication may be denied coverage -- unless their doctor obtains prior approval from the health plan or changes the prescription to a first-line drug," said Tami L. Mark, the study's lead author and a research director in the Healthcare business of Thomson Reuters. "Patients who are unwilling to switch or unable to overcome administrative hurdles may go without medication. That may cause their medical condition to deteriorate and increase their need for medical interventions in the future.

"If that happens, it can wipe out savings derived from step therapy," Mark said. "Further research is needed to understand why these unintended consequences may happen and how they might be avoided."

The study, sponsored by Pfizer, Inc., was published in the February issue of The American Journal of Managed Care. Researchers analyzed insurance claims for 11,851 people with employer-sponsored health coverage that incorporated a step therapy protocol for antihypertensive drugs. Their use of healthcare services was compared with a group of 30,882 antihypertensive drug users who did not participate in a step therapy program.

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