

Health Disparities & Medication Access

DECEMBER 2022



Executive Summary

At some point in their lives, most patients encounter insurance delays or denials for a prescription medication. But do certain groups of patients encounter these barriers more often than others? And at what cost?

To explore this question, the Institute for Patient Access analyzed 2019, 2020 and 2021 national pharmacy claims for 3.74 million patients living with one of three diseases: asthma, chronic kidney disease or cardiovascular disease.¹ Claims data spanned both commercial health plans and Medicare.

Findings revealed that, for the disease states studied, Black and Hispanic patients typically experience claim rejections more often than white patients do — and suffer worse health outcomes.

Patients on Commercial Plans



Black and Hispanic patients have claims rejected much more often than white patients.

Black and Hispanic patients with chronic kidney disease had claims rejected 40% and 41% more often than white patients, respectively.



Black and Hispanic patients are more likely than white patients to visit the emergency room.

Among patients whose medication claim has been rejected, Black and Hispanic patients with asthma visit 34% and 16% more often, respectively.



Black patients in particular are more likely than white patients to be hospitalized.

Among patients whose medication claim has been rejected, those with cardiovascular disease are hospitalized 21% more often.

Patients on Medicare



Black and Hispanic patients have claims rejected more often than white patients — Hispanic patients especially.

Hispanic patients with chronic kidney disease and cardiovascular disease had claims rejected 48% and 40% more often than white patients, respectively.



Black and Hispanic patients are more likely than white patients to visit the emergency room.

Among patients whose medication claim has been rejected, Black and Hispanic patients with cardiovascular disease visit 46% and 40% more often, respectively.



Black and Hispanic patients are hospitalized more commonly than white patients.

Among patients whose medication claim has been rejected, Black and Hispanic patients with cardiovascular disease are hospitalized 21% and 15% more often.

The disproportionate rate and impact of utilization management barriers experienced by people of color has the potential to perpetuate or even worsen longstanding health disparities.



Table of Contents

Introduction	4
Commercially Insured Patients	5
Unequal Medication Access	6
Health Outcomes	10
Medicare Patients	11
Unequal Medication Access	12
Health Outcomes	15
The Patient Experience	17
The Black Patient Experience	18
The Hispanic Patient Experience	19
Conclusion	20
Appendix	21



Introduction

In the richest nation on earth, some communities of color still struggle to access health care that's comparable to that of their white counterparts.

Black and Hispanic patients in particular face barriers, leading to average health outcomes that lag those experienced by white patients. One area where the gap is particularly pronounced is access to prescription drugs that help patients manage chronic or life-threatening conditions.

Insurers can keep patients from accessing the medications prescribed by their clinicians by declining coverage or by shifting an unmanageable portion of the cost onto patients, who then abandon the medication. These tactics yield poorer collective health outcomes for patients of color than for white patients.

They can also worsen existing public health trends. Life expectancy, for example, dropped for both Black and Hispanic people between 2020 and 2021, according to the Centers for Disease Control and Prevention.²

New data obtained by the Institute for Patient Access from a national claims data provider highlight both the disproportionate prevalence and impact of unequal access to prescription medication for Black and Hispanic patients living with chronic disease.



Commercially Insured Patients

Unequal Medication Access

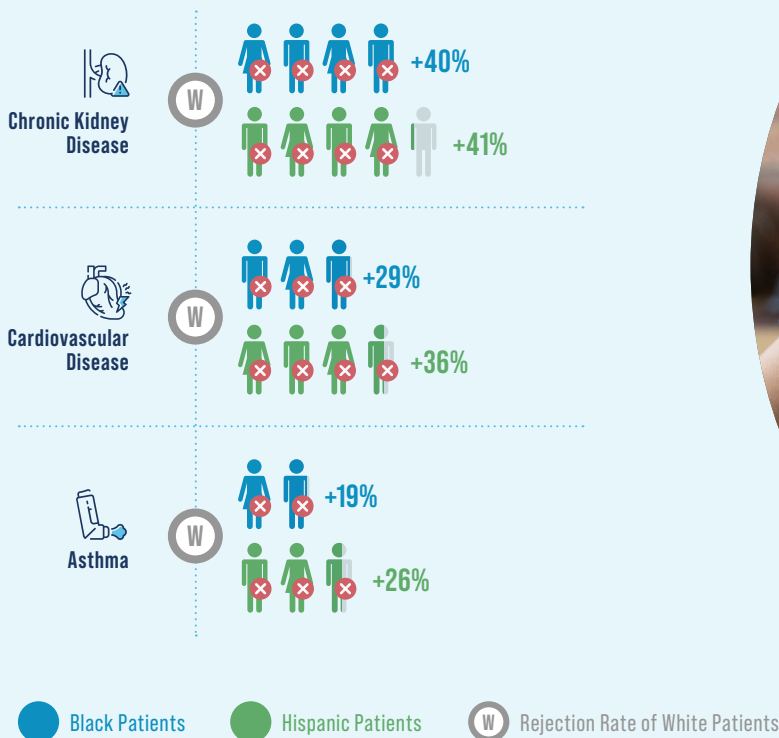
In an attempt to lower costs and protect profits, insurance companies can limit access to prescription medication using one of several mechanisms.

Prior authorization, for example, can delay patients' access while the provider waits for health plan approval for the prescribed medication. A lengthy rejection and appeal process sometimes ensues. Through step therapy, insurers require patients to first try and fail one or more medications that the health plan prefers before getting coverage for the prescribed medication. These and other types of market access barriers are referred to in this paper as "actionable rejections."

Claims data show that, among asthma, chronic kidney disease and cardiovascular disease patients covered by commercial insurance, Black and Hispanic patients experience rejections like these at considerably higher rates than white patients do.

Not being able to access prescription medications can contribute to unchecked disease progression and poor health among communities of color. So, too, can other functions of access barriers, such as medication abandonment.

Difference in Rejection Rate Compared to White Patients



When Patients Walk Away from Their Medication

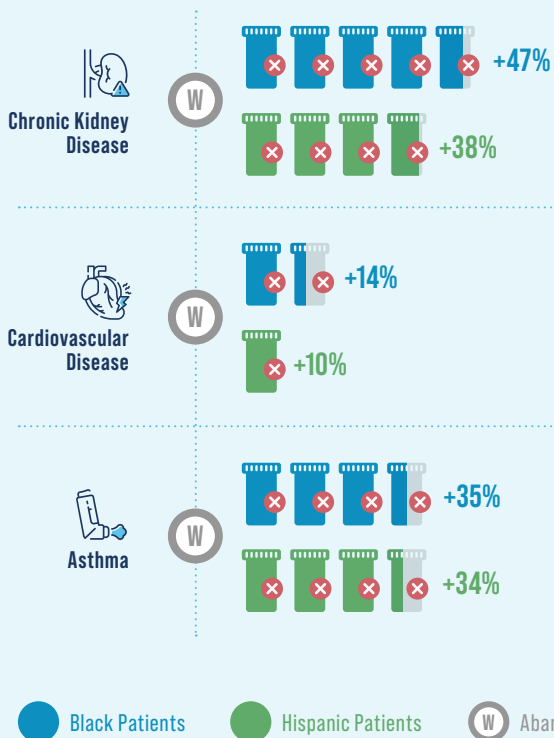
Some prescriptions are approved by the insurer and filled by the pharmacy but never picked up by the patient, a phenomenon known as “medication abandonment.” This occurs more frequently among Black and Hispanic patients than among white patients.

Low health literacy, or the inability to obtain and act on information to make health decisions, can contribute to medication abandonment.

Abandonment is generally attributed, however, to high out-of-pocket costs. Patients arrive at the pharmacy counter only to discover that their out-of-pocket total is more than they can afford, so they walk away empty handed.

High out-of-pocket costs can lead patients to leave the pharmacy empty-handed.

Difference in Abandonment Rate Compared to White Patients



Out-of-Pocket Costs

White patients, on average, pay more out of pocket compared to Black and Hispanic patients. Even still, white patients abandon their medications at a lower rate than their Black and Hispanic counterparts. This trend demonstrates white patients' higher tolerance for out-of-pocket expenses relative to their Black and Hispanic counterparts' ability to pay.

The trend can lead to worsening conditions that necessitate hospital visits, expensive lab




work and testing, and result in overall poorer health. Non-adherence creates an estimated \$300 billion of avoidable health care costs each year.

The low medication adherence caused by abandonment can have serious negative impacts on health outcomes. When prescriptions are not picked up, patients can lose their ability to control otherwise manageable medical conditions.

White patients have a higher tolerance for high out-of-pocket expenses.



Average **Out-of-Pocket Cost** for Abandoned Medications

	Black Patients	Hispanic Patients	White Patients
 Chronic Kidney Disease	\$171.91	\$170.76	\$216.14
 Cardiovascular Disease	\$134.20	\$150.42	\$155.96
 Asthma	\$58.78	\$52.38	\$75.99

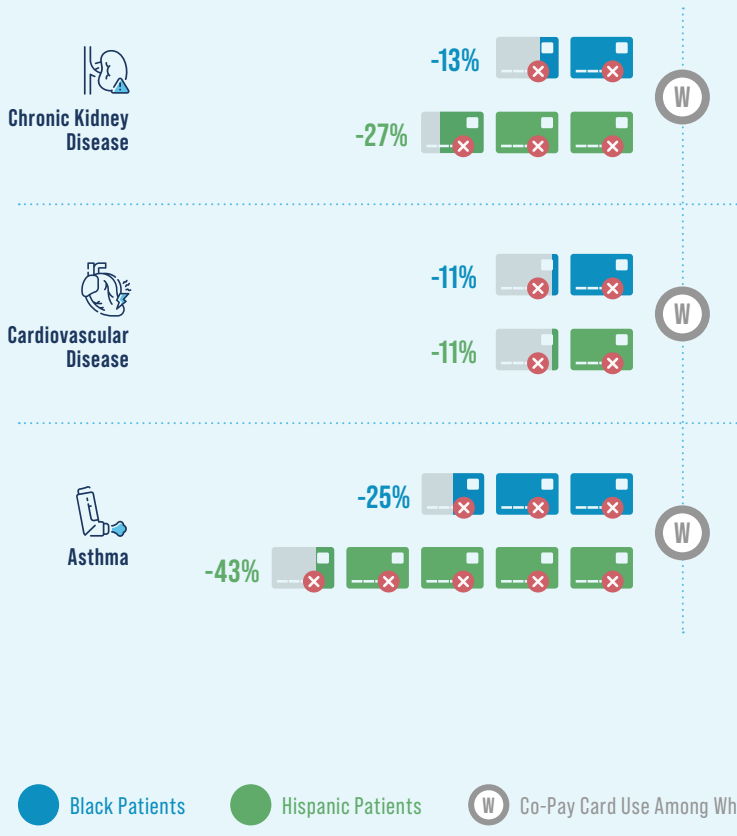
Co-pay Cards and Lost Opportunity

Manufacturer co-pay cards are sometimes available to reduce the out-of-pocket burden for patients who need expensive medications. Yet data show that, for chronic kidney disease, cardiovascular disease and asthma, Black and Hispanic patients are less likely than white patients to use these co-pay cards.

This could be related to provider promotion, patient education, health literacy or other

consumer behaviors. Whatever the cause, there is little question that Black and Hispanic patients do not get as much price relief from co-pay cards as white patients do. The discrepancy is especially notable given the data showing that Black and Hispanic patients have a lower tolerance for high out-of-pocket costs than white patients do.

Difference in Co-pay Card Use Compared to White Patients



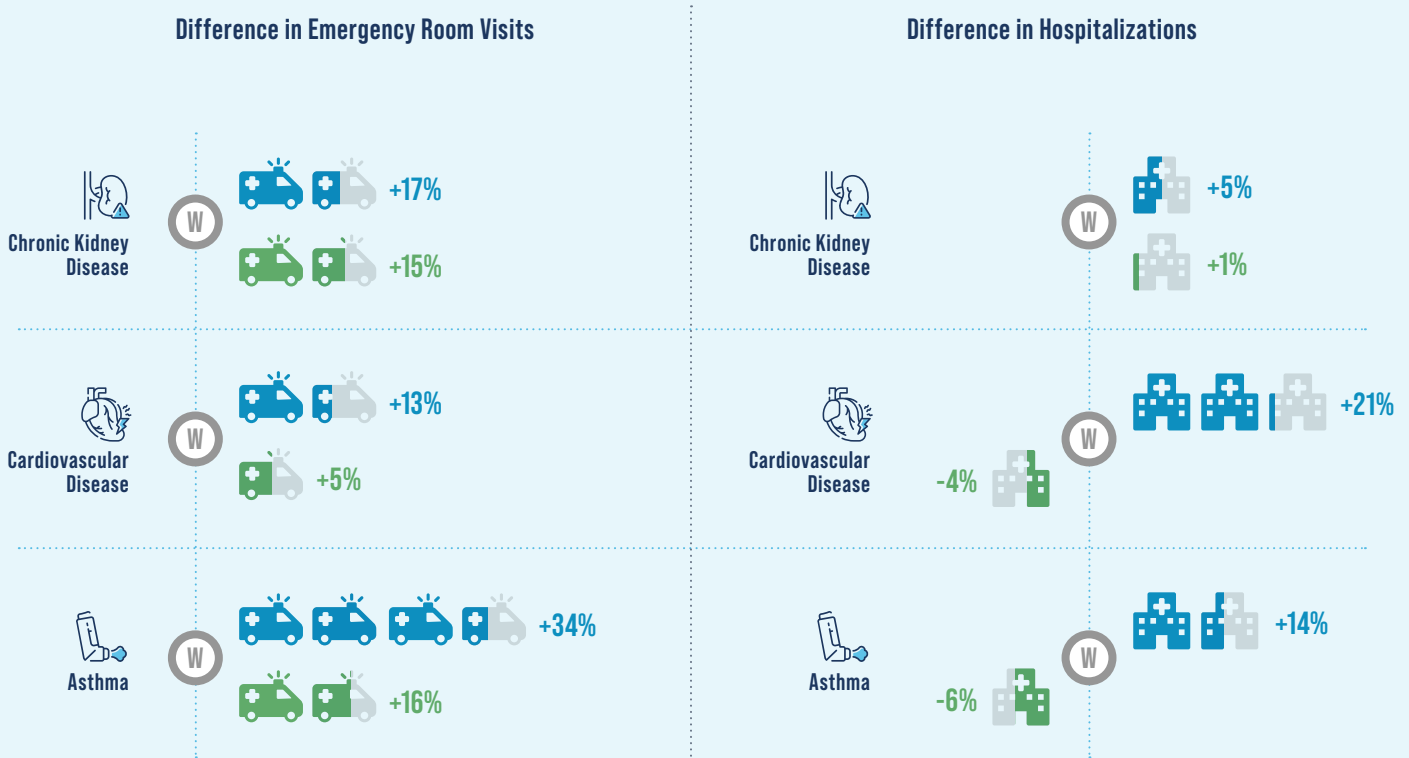
Health Outcomes

The inability to access one's prescribed medication can have downstream effects.

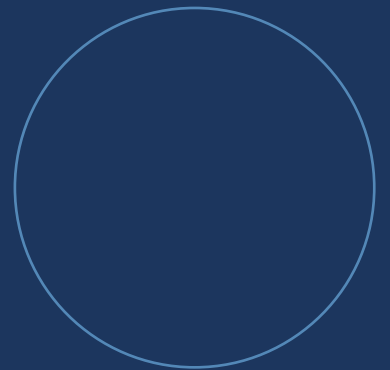
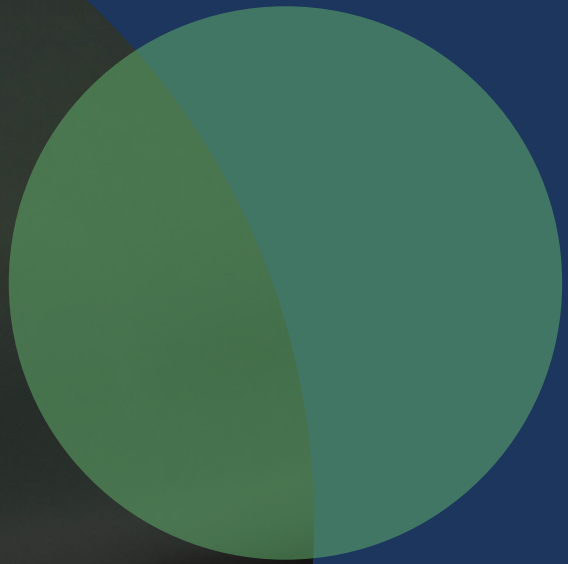
Among patients who experienced at least two instances of actionable payer rejections or medication abandonment, Black and Hispanic patients experience worse health outcomes than their white counterparts do. In particular, they may be more likely to visit the emergency room or be hospitalized after being unable to access their medication.

Actionable rejections also compound existing health disparities, leading to disproportionately worse outcomes for patients of color than white patients. For instance, Black patients who live with asthma experience rejections 19% more often than white patients, yet they visit the emergency room 34% more.

Difference in Emergency Room Visits and Hospitalizations Compared to White Patients



● Black Patients
 ● Hispanic Patients
 W Rate of Emergency Room Visits/Hospitalizations of White Patients



Medicare Patients



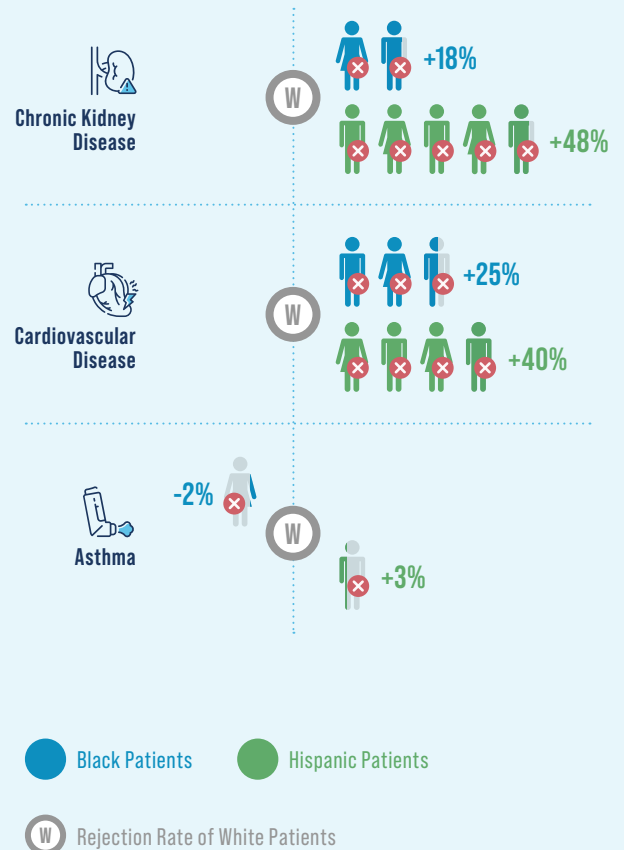
Unequal Medication Access

Similar challenges exist for patients of color who are covered by Medicare.

Like those with commercial insurance, Black and Hispanic patients with chronic kidney disease, cardiovascular disease or asthma who are covered by Medicare typically experience a higher rate of medication rejection and abandonment than white patients do.

Black asthma patients do slightly better than white patients in terms of actionable rejections, but the numbers overall show a distinct disadvantage for communities of color.

Difference in Rejection Rate Compared to White Patients

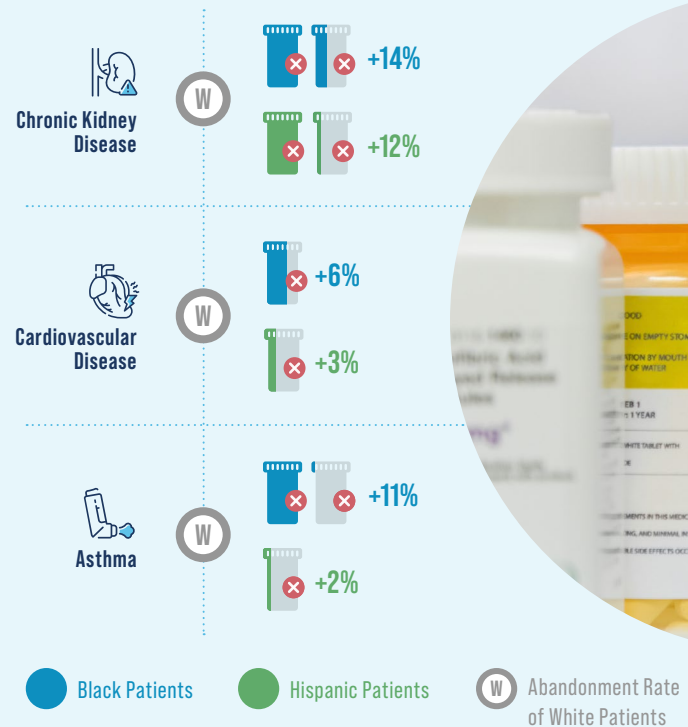


Within the Medicare population, Black and Hispanic patients have higher rates of medication abandonment than their white peers do, though the difference is much smaller than it is among their peers who are commercially insured.

Co-pay card use does not come into play here, as federal law prohibits the use of co-pay cards by Medicare patients.

In almost every category, however, patients of color face higher rates of rejection than white patients do and are less likely to pick up prescriptions that are approved, putting their health at risk.

Difference in Abandonment Rate Compared to White Patients



Differences between Commercially Insured and Medicare Patients



In both commercially insured and Medicare populations, Black and Hispanic patients with chronic kidney disease and cardiovascular disease are more likely than their white peers to have their medication claims rejected.

The difference in medication rejection between Black and white patients with chronic kidney disease, however, is far greater among commercially insured patients (+40%) than among Medicare patients (+18%). Black and Hispanic patients with cardiovascular disease on commercial plans also experience higher rates of rejection



Black and Hispanic patients with asthma who are covered by Medicare have their prescription medications rejected at rates similar to white patients covered by Medicare. This trend is a departure from the trend seen in the commercially insured population, where Black and Hispanic patients are rejected more often than white patients are.

Out-of-Pocket Costs

White patients on Medicare paid higher average out-of-pocket costs than Black or Hispanic Medicare patients, but were less likely to abandon their prescriptions. The discrepancy, also observed in the commercially insured patient population, reinforces the idea that white patients have a higher tolerance for out-of-pocket costs than their Black or Hispanic counterparts do.



Nevertheless, Black and Hispanic Medicare patients living with chronic kidney disease and cardiovascular disease faced out-of-pocket medication costs averaging about \$100 or more.

- Black patients with chronic kidney disease paid \$104.69 out of pocket on average. Those with cardiovascular disease paid \$107.15 on average.
- Hispanic patients with chronic kidney disease paid \$99.26 out of pocket on average. Those with cardiovascular disease paid \$105.49 on average.

Out-of-pocket medication costs averaged \$100 or more for Black and Hispanic patients on Medicare.



Health Outcomes

Medicare patients who experience actionable rejections or abandonment have worse health outcomes down the road, data show.

Because rejections are more prevalent among Black and Hispanic patients than among white patients, their health outcomes are worse as well. The exception demonstrated by the data are lower rates of hospitalization among chronic kidney disease patients.

As with patients on commercial insurance plans, actionable rejections also compound existing health disparities for patients covered by Medicare. This contributes to disproportionately worse outcomes for patients of color than white patients.

For instance:

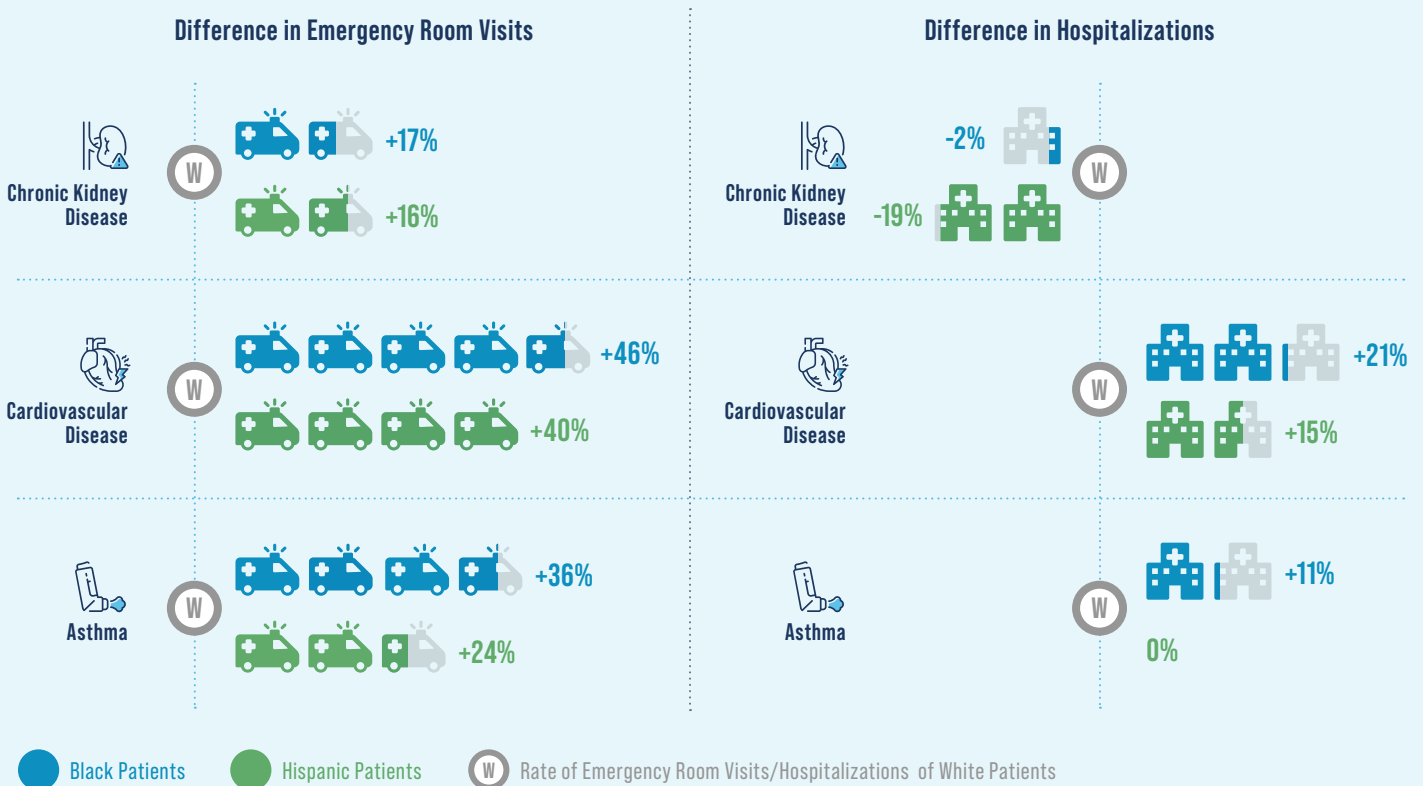


Black patients with cardiovascular disease experience rejections 25% more often than white patients, yet they visit the emergency room 46% more.



Hispanic patients with asthma experience rejections 3% more often than white patients, yet they visit the emergency room 24% more.

Difference in Emergency Room Visits and Hospitalizations Compared to White Patients



Differences between Commercially Insured and Medicare Patients



Black and Hispanic Medicare patients living with chronic kidney disease visited the emergency room 17% and 16% more often than their white counterparts, a trend similar to that seen among commercially insured patients.

Hospitalization trends among these same Medicare patient populations differed, however, from trends demonstrated among the commercially insured. Black and Hispanic Medicare patients were hospitalized less often than their white peers, -2% and -19%, respectively. Among commercially insured patients, the reverse trend appeared, with Black and Hispanic patients being hospitalized more often than their white peers, +5% and +1% respectively.



Among patients with cardiovascular disease, Black and Hispanic patients on Medicare experienced worse health outcomes than their Black and Hispanic peers with commercial insurance. The difference in health outcomes between white patients with cardiovascular disease and Black or Hispanic patients with cardiovascular disease was also greater among the Medicare population.

For example, Black patients with commercial insurance experienced a +13% higher rate of emergency room visits than white patients with commercial insurance. Under Medicare, however, that gap widened to +46%.

A similar trend emerged for Hispanic patients with cardiovascular disease. Among the commercially insured population, Hispanic patients with cardiovascular disease were +5% more likely to visit the emergency room than their white peers were. Under Medicare, that differential was +40%.

Among Hispanic Medicare patients with cardiovascular disease, the rate of hospitalization was +15% higher than among white Medicare patients with cardiovascular disease. Among commercially insured patients, however, the trend was reversed. Hispanic patients with cardiovascular disease were hospitalized less often than their white counterparts.

Regardless of insurance type, Black and Hispanic patients face worse downstream health outcomes than white patients do.





The Patient Experience

The Black Patient Experience

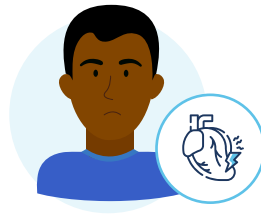
Compared to white patients, Black patients living with asthma, chronic kidney disease or cardiovascular disease are more likely to have trouble accessing their prescribed medication, less likely to take advantage of co-pay card savings and more likely to experience negative health outcomes.

TOP-LINE OBSERVATIONS



Black patients with chronic kidney disease, both commercially insured and Medicare patients, were more likely than white Americans to have their medication claims rejected.

For commercially insured patients, the difference was a staggering 40%.



Black patients with cardiovascular disease, both those on commercial insurance and Medicare, had claims rejected at a higher rate than white patients did.

Black patients are about 20% more likely to be hospitalized than white patients are.



Black patients with asthma who were covered by commercial plans had their medication claims rejected 19% more often than their white peers.

They were 35% more likely to abandon their medications and also 34% more likely to visit the emergency room.

Compared to White Patients

Black Patients				
		Actionable Rejections	Emergency Room Visits	Hospitalizations
Chronic Kidney Disease	Commercial	+40%	+17%	+5%
	Medicare	+18%	+17%	-2%
Cardiovascular Disease	Commercial	+29%	+13%	+21%
	Medicare	+25%	+46%	+21%
Asthma	Commercial	+19%	+34%	+14%
	Medicare	-2%	+36%	+11%



The Hispanic Patient Experience

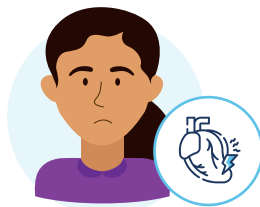
Hispanic patients also experience disparities that negatively impact their access to care and health outcomes. They too face a higher rate of actionable rejections and receive less benefit from co-pay cards.

TOP-LINE OBSERVATIONS



Hispanic patients with chronic kidney disease, both those on commercial insurance and Medicare, are more likely (41% and 48% respectively) than their white counterparts to have claims rejected.

They are also more likely to abandon medications, visit the emergency room and be hospitalized.



Hispanic patients with cardiovascular disease, both on commercial insurance and Medicare, are more likely to be rejected than white Americans are.

Those on Medicare who are rejected are 40% more likely to visit the emergency room.









Hispanic patients with asthma who were covered by commercial insurance have their claims rejected by insurers 26% more often than white patients do.

They also abandon their medications 34% more often and are more likely to visit the emergency room.



Compared to White Patients

Hispanic Patients

				
		Actionable Rejections	Emergency Room Visits	Hospitalizations
 Chronic Kidney Disease	Commercial	+41%	+15%	+1%
	Medicare	+48%	+16%	-19%
 Cardiovascular Disease	Commercial	+36%	+5%	-4%
	Medicare	+40%	+40%	+15%
 Asthma	Commercial	+26%	+16%	-6%
	Medicare	+3%	+24%	0%



Conclusion

Effective, high-quality health care should be equally available and affordable for all Americans, regardless of their race or ethnic background. Yet insurers' utilization management practices often deny or delay access to medications that are essential to improving health and quality of life for people of color.

As the Institute for Patient Access' data convey, these practices perpetuate longstanding inequities in health care access. They also lead to poorer health outcomes for patients of color.

ABOUT THE DATA

The data discussed in this report was obtained by the Institute for Patient Access from a national claims provider. Data reflects claims made from 2019 through 2021 by 3.74 million unique patients from three disease states: 1.96 million living with asthma, 1.6 million with cardiovascular disease and 175,000 with chronic kidney disease.

Appendix

BLACK PATIENTS

Black Patients with Asthma as Compared to White Patients



	Commercially Insured	Medicare
Actionable Rejections	+19%	-2%
Co-pay Card Use	-25%	N/A
Abandonment Rate	+35%	+11%
Rate of ER Visits	+34%	+36%
Rate of Hospitalization	+14%	+11%

Black Patients with Chronic Kidney Disease as Compared to White Patients



	Commercially Insured	Medicare
Actionable Rejections	+40%	+18%
Co-pay Card Use	-13%	N/A
Abandonment Rate	+47%	+14%
Rate of ER Visits	+17%	+17%
Rate of Hospitalization	+5%	-2%

Black Patients with Cardiovascular Disease as Compared to White Patients



	Commercially Insured	Medicare
Actionable Rejections	+29%	+25%
Co-pay Card Use	-11%	N/A
Abandonment Rate	+14%	+6%
Rate of ER Visits	+13%	+46%
Rate of Hospitalization	+21%	+21%

HISPANIC PATIENTS

Hispanic Patients with Asthma as Compared to White Patients



	Commercially Insured	Medicare
Actionable Rejections	+26%	3%
Co-pay Card Use	-43%	N/A
Abandonment Rate	+34%	+2%
Rate of ER Visits	+16%	+24%
Rate of Hospitalization	-6%	+0%

Hispanic Patients with Chronic Kidney Disease as Compared to White Patients



	Commercially Insured	Medicare
Actionable Rejections	+41%	+48%
Co-pay Card Use	-27%	N/A
Abandonment Rate	+38%	+12%
Rate of ER Visits	+15%	+16%
Rate of Hospitalization	+1%	-19%

Hispanic Patients with Cardiovascular Disease as Compared to White Patients



	Commercially Insured	Medicare
Actionable Rejections	+36%	+40%
Co-pay Card Use	-11%	N/A
Abandonment Rate	+10%	+3%
Rate of ER Visits	+5%	+40%
Rate of Hospitalization	-4%	+15%

References

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 2. U.S. Food and Drug Administration, National Center for Health Statistics. 2022. National Vital Statistics Report. Volume 71, Number 2. <https://www.cdc.gov/nchs/data/nvsr/nvsr71/nvsr71-02.pdf>
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**Institute for
Patient Access**

ABOUT THE INSTITUTE FOR PATIENT ACCESS

The Institute for Patient Access is a physician-led nonprofit 501(c)(3) research organization promoting the benefits of the physician-patient relationship in the provision of quality health care.

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