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IMPACTS OF CO-PAYMENTS FOR PRESCRIBED MEDICINES ON PUBLICLY-INSURED CHILDREN AND OLDER PEOPLE IN IRELAND

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Impacts of co-payments for prescribed medicines on publicly-insured children and older people in Ireland ¹

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INTRODUCTION

Co-payments, which require a patient to pay a fixed fee for healthcare services, are a common feature of many healthcare systems. While they are often introduced to encourage more appropriate use of healthcare, international evidence shows that co-payments may delay necessary care, increase use of substitute forms of healthcare, and result in poorer health outcomes.

In Ireland, prescription drug co-payments were introduced for the first time for medical cardholders (i.e., those with public health insurance) in October 2010, initially at a cost of €0.50 per item, rising to €1.50 in January 2013, and further increasing to €2.50 in December 2013. Subsequent policy changes have reduced the charge to €1.50 (€1 for those over 70 years of age). This bulletin summarises research on the impact of these co-payments on two population groups: children and older people.

DATA AND METHODS

Data for two cohorts of children from Growing up in Ireland and for older people from The Irish Longitudinal Study on Ageing were used to examine the impact of these prescription drug co-payments on a variety of outcomes. Those without medical cards, i.e., private patients, provided comparison groups. For children, the research examined the impact of the co-payments on their health, healthcare

¹ This Bulletin summarises the findings from:

Mohan, G., Nolan, A. and Moriarty, F. (2021) The introduction of cost sharing for prescription drugs: evidence from The Irish Longitudinal Study of Ageing (TILDA). *Economic and Social Review*, 52 (1), Spring (2021).

Available at: <https://www.esri.ie/article/view/1477>

Mohan, G. Nolan, A., (2019) The impact of prescription drug co-payments for publicly insured families. *The European Journal of Health Economics*, <https://doi.org/10.1007/s10198-019-01125-3>

utilisation and the financial wellbeing of their families, while for the older population, medication use was examined.

RESULTS

Co-payments on prescription items did not impact on the health of children from low-income families. For the older cohort (born in 1998), the co-payment period was associated with an increase in reports of material deprivation. However, for the younger cohort of children (born in 2008), co-payments were associated with a decrease in the proportion of households reporting 'difficulties with making ends meet'. The discrepancy between these results may be explained by differences in data collection periods; for the younger cohort, the pre-policy period coincided with the worst years of the Great Recession, and improvements in economic circumstances for this cohort tracked the introduction of the co-payment policy, making it difficult to disentangle the two effects.

For the older population, the analysis revealed that medication use increased despite the imposition of co-payments for medical cardholders. This was largely explained by older medical cardholders having much higher use of medications overall than private patients, even in the co-payment period. In other words, increasing trends for medicines use among older medical cardholders over time outweighed any disincentive effects from the introduction of prescription drug co-payments for this group.

POLICY IMPLICATIONS

As countries grapple with the challenge of financing healthcare services, co-payments are increasingly considered as a means to raise revenue and/or to reduce healthcare use. However, it is important for policymakers to consider the impacts of these policies on patient outcomes to prevent adverse impacts on health and financial wellbeing. The results of the two studies summarised in this bulletin suggest that prescription drug co-payments for medical cardholders in Ireland did not lead, in general, to adverse impacts on children and older people.

Overall, the size of the co-payment charges was relatively modest compared to those in place in other developed countries. In addition, a monthly household ceiling provides a layer of protection against the potential for negative effects arising from large medicine bills for low-income households. However, in light of the large body of international evidence that finds negative effects of co-payments on a variety of patient outcomes, continued evaluation of this policy and any future changes must be undertaken.

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