

Pharmaceutical Assistance Programs: Their Design, Use and Impact

Kathryn Duke, Kristiana Raube, Long Tran, and Helene Lipton

April 2002

As the first part of a study of patient assistance programs (PAPs*), in-depth interviews were conducted with twelve California clinics believed to have greater than average interaction with PAPs. The clinics were selected to maximize diversity of location, size, and organization (private non-profit community clinic, part of a county health system, or outpatient clinic within a county hospital—all of these are referred to below as “clinics”). The other parts of the study, which will be completed in the next year, include a survey of 200 safety net clinics and key informant interviews with PAP managers at five different pharmaceutical companies.

Preliminary findings from safety net clinics with experience using PAPs:

1. There is widespread appreciation for the positive impact of free drugs obtained through PAPs. Clinic staff feel good about being able to help vulnerable patients in this way, and believe that having access to medications increases patients’ medication compliance and overall quality of care.
2. Clinic staff are often disappointed by the gap between the general concept of PAPs and the reality of PAP procedures that can be burdensome or inappropriate for vulnerable patients. For example, clinics report such requirements as verification of patient income with tax returns, re-application every 30 days for chronic disease medications, eligibility only for patients who are U.S. citizens or legal residents, and a company that authorizes only one PAP drug per patient.
3. Those clinics that use PAPs extensively must invest significant staff resources to assure compliance with details of the various PAP requirements.
4. Many clinics are investing increased attention and staff resources to use PAPs. These actions are resulting in a growing number and value of drugs received from PAPs to help their patients.
5. Some clinics have successfully requested that companies modify specific requirements of individual PAPs to make them more usable. These modifications help that clinic, but do not carry over to all other clinics experiencing the same difficulties.
6. For clinics able to use Pfizer’s Sharing the Care program or work out “bulk PAP” procedures with other companies, there is high enthusiasm for the cost-effectiveness of this approach and the increased feeling of partnership with those companies. However, smaller clinics may be unable to use bulk PAPs due to shortage of onsite storage space.

Preliminary findings subject to further research and analysis

7. Clinics expect PAP applications to increase once other sources of free drugs are eliminated. They therefore fear that the PAP programs, which exist at drug companies' discretion, may be cut back or discontinued without explanation or notice.
8. To help identify appropriate PAPs and navigate complicated or changing application procedures, a growing number of clinics pay private companies or use nonprofit organizations as alternatives or supplements to in-house staff.
9. Some clinics have systems of evaluating different PAPs for their ease of use. This information can be part of an individual physician's prescribing behavior, or a Pharmaceuticals & Therapeutics (P&T) Committee's formulary deliberations.

PAPs are part of safety net providers' larger strategy to cope with rising pharmaceutical expenditures. This strategy can also include any or all of the following elements: further restrictions on access to pharmaceuticals paid for by the clinic; use of drug samples as source of drugs for indigent patients; use of generic drugs; participation in the federal 340B program; participation in buying groups; and effective use of an expanded Medicare drug benefit. As this study of PAPs progresses, findings from pharmaceutical company informants and from a larger, multi-state group of safety net providers will be collected and analyzed; potential interactions with other developments regarding drug coverage and payment may also be explored.

* Patient assistance programs (PAPs) are voluntary efforts by pharmaceutical companies to make some of their brand name drugs available free of charge for patients who would not otherwise have access to prescribed drugs. Unlike several companies' recently announced discount or coverage cards limited to Medicare beneficiaries, PAPs are typically available to any person who needs prescribed medication and meets specific income and other eligibility criteria.



Nothing in this report may be quoted, disseminated, or reproduced, in whole or in part, without prior written permission from Medpin (www.medpin.org). Medpin is solely responsible for the content; the views expressed herein are those of the authors and do not necessarily reflect those of the funder, the California HealthCare Foundation. The California HealthCare Foundation, based in Oakland, is an independent philanthropy committed to improving California's health care delivery and financing systems (www.chcf.org).