Abstract

This study uses logistic regression to estimate the probability of choosing the brand-name drug despite the presence of cheaper generics given patient and drug characteristics in the Czech pharmaceutical market in the period 2009-2013. Results of the analysis may help guide policies to decrease pharmaceutical costs. In order to motivate people who are more likely to choose the original version of drug, policy makers may impose higher copayments and lower subsidies on the original drugs which they use. Additionally, two supplementary analyses were applied to sub-sectors of the pharmaceutical market: antihypertensive drugs and antibiotics. Fixed effects logistic regression is employed to test the robustness of the results.