

The story behind the rising cost of prescription drugs

From Congress to the corner diner, people are discussing how to keep the escalating cost of prescription drugs in check.

In 1995, prescription drug costs accounted for 7 to 8 percent of total medical costs. In 2001, prescription costs for Blue Cross and Blue Shield of Oklahoma topped out at 17 percent. And it looks as if this pace will continue. Some of the contributing factors include:

- The number of prescription filled has increased dramatically, as have the prices of individual drugs. Much of this can be attributed to the aging population. As we age we encounter more serious health conditions that require medication, such as arthritis and heart disease.
- New drugs are especially expensive – well-established medications that cost \$20 are being replaced by new ones that cost \$60 to \$120, often at very small incremental benefit. Americans are taking more prescription medicines, and their doctors are prescribing the newest medicines, which cost more.
- The top 12 prescribed drugs in Oklahoma are also the drugs most heavily marketed by the pharmaceutical companies. These drugs also are usually more expensive than other drugs that treat the same conditions.

What can you do?

The first step toward lowering your prescription costs may be to use generic. If a generic is appropriate, you can save \$40 or more per prescription. Ask your physician and pharmacist if a generic prescription is right for you. According to the Congressional Budget Office, generic drugs save consumers an estimated \$8 to \$10 billion a year at retail pharmacies.

“Many people don’t realize that using generic drugs can help hold down the cost of health care,” said Dr. Rodney Huey, Blue Cross and Blue Shield of Oklahoma corporate medical director. “Even if a person has insurance to cover prescription drugs, keeping those costs low helps hold down the cost of insurance premiums.”

The Federal Drug Administration (FDA) has the same stringent approval process for all drugs, name brand and generic. This ensures the quality of all prescription drugs in America.

“Our society has conditioned us to believe that if something costs more, it is better quality,” said Huey. “In the case of generic drugs this is not the case. The FDA has a process in place to ensure that the generic meets the same quality standards as the name brand.”

Another way to save money is to ask you doctor if an over-the-counter medicine is appropriate. They generally are much less expensive than

prescription medications.

Other things consumers can do include simply taking care themselves – eat a balanced diet, exercise, and know your numbers (cholesterol, blood pressure and blood sugar). Knowing these numbers can alert you to a potential problem before it leads to heart disease, stroke or other serious illness.

Side Bar

Myths and facts about generic drugs

Myth – Generics take longer to act in the body.

Fact – The company seeking to sell a generic drug must show that its drug delivers the same amount of active ingredient in the same timeframe as the original product.

Myth – Generics are not as potent as brand-name drugs.

Fact – The FDA requires generics to have the same quality, strength, purity and stability as brand-name drugs.

Myth – Generics are not as safe as name-brand drugs.

Fact – The FDA requires that all drugs be safe and effective and that their benefits outweigh their risks. Since generics use the same ingredients and work the same in the body, they have the same profile as their brand-name counterpart.

Myth – Brand-name drugs are made in modern manufacturing facilities while generic drugs are made in substandard facilities.

Fact – FDA won't permit drugs to be made in substandard facilities. FDA conducts about 3,500 inspections a year in all firms to ensure standards are met. Generic firms have facilities comparable to brand name firms, and brand-name firms account for an estimated 50 percent of generic drug

production. They make copies of their own or other brand name drugs but sell them without the brand name.

Myth – Generic drugs are likely to cause more side effects.

Fact – There is no evidence of this. FDA monitors reports of adverse drug reactions and has found no difference between generic and brand name drugs.