

Introduction

SEVEN STRATEGIES FOR LOWERING YOUR DRUG COSTS

PRESCRIPTION DRUGS are indispensable to the practice of modern medicine and have greatly improved our length and quality of life. Americans born in 1900 had a life expectancy of less than fifty years. Now current life expectancy has increased to nearly eighty years. Pharmaceutical advances have created much of that improvement. Diabetes and many infections were lethal before the discovery of insulin and penicillin. High blood pressure medications have greatly reduced the risk of developing heart attack and stroke. Potent antiulcer drugs have nearly eliminated the need for surgery to remove an ulcer-riddled stomach. Antidepressant and antipsychotic drugs have steadily advanced the treatment of depression and psychosis. Tylenol® and Advil® relieve headaches and muscle pains for millions of people. Hugh Hefner brags on national television about his active sex life thanks to the wonders of Viagra®.

Pharmaceutical drugs have transformed modern life, and consumers' demand for these products appears limitless. What wouldn't you pay for medications to improve your health or to lengthen your life by thirty years? You would probably pay whatever you could afford. The problem is that a growing number of people cannot afford the high cost of drugs today.

In my work as a cardiologist, I meet many patients who are suffering due to their inability to afford medications. Patients across the United States are repeatedly admitted into hospitals because they have stopped taking their drugs. Some patients even endure strokes or heart attacks. All of them understand the vital importance of taking medication to maintain their health. They know that life without

health is a wretched bargain. Many live in fear that their life, or a loved one's life, will end prematurely because their medications are not affordable.

The elderly who live on fixed incomes are particularly affected by the rising costs. Some are even forced to choose between buying food and buying their medications. Senior citizens living in the northern United States frequently take bus trips to Canada to purchase drugs at discounted prices even though this practice violates current U.S. law. Those living in the South and the West travel to Mexico for the same purpose. Purchasing medications from other countries has gained such widespread support that Congress has considered changing the law governing drug importation.

The number of Americans without health insurance has reached 45 million. Millions of men and women working full-time lack health insurance and struggle to purchase the drugs they need. Due to the expense, some uninsured patients do not seek medical care until a medical catastrophe strikes.

But the poor and uninsured are not alone. The soaring cost of prescription drugs also affects those with excellent health insurance and prescription drug coverage. Those purchasing prescription drugs with private insurance are usually subjected to a tier system. Older generic drugs belong to a lower tier, are less expensive, and require lower monthly copayments. Newer and more expensive brand-name medications belong to a higher tier with correspondingly higher prices and higher monthly prescription drug copayments.

The tier system of paying for medications transfers some of the pharmaceutical cost from insurance companies to the individuals requiring the medications. A monthly copayment of \$50 for each drug is charged for the higher-tiered medications. This \$600 annual cost for one medication quickly grows into an annual cost exceeding \$1,000 for patients requiring several medications.

Those who do not purchase medications still must pay higher insurance premiums each year, as insurers pass along their increasing costs of buying drugs. Companies paying for employees' health insurance must pass along these increased costs to employees by requiring higher deductibles and to their customers by raising prices. Major corporations are more likely to outsource jobs to workers in other

countries in part to avoid paying for rising health care benefits. *Thus all Americans, rich and poor alike, are directly or indirectly affected by rising prescription drug costs.*

The federal government, state governments, and cities are all affected by rising drug costs. Medicaid and Medicare are large governmental health care programs enacted in the 1960s to pay for health care. State and federal governments jointly fund Medicaid, and the federal government funds Medicare. Medicaid provides health care to certain low-income Americans, and Medicare provides health care to elderly Americans. Eligibility for these programs has grown, and now tens of millions of Americans are entitled to Medicare or Medicaid.

Medicaid currently provides prescription drug coverage, and Medicare will begin offering prescription drug insurance in 2006. The Medicare Prescription Drug, Improvement and Modernization Act provides a voluntary prescription drug benefit for Medicare recipients. Although this Medicare drug benefit plan is the largest entitlement plan enacted in more than thirty years, it will pay for only a fraction of seniors' prescription drug cost. The plan shifts a portion of the payment for prescription drugs to taxpayers, but it does not slow the rising cost of drugs, nor does it assist the 240 million Americans who do not have Medicare benefits.

The legal obligation of state Medicaid programs to pay for recipients' prescription drugs has worsened many states' fiscal crisis. States purchase large quantities of medications for poor residents via the Medicaid program, and they also feel the effects of rising drug costs.

States have responded to this problem in a variety of ways. Maine passed a state law establishing a program called Maine Rx that lowers prescription drug prices for residents lacking prescription drug coverage. Maine Rx requires drug manufacturers to sell medications to Maine residents who lack prescription drug insurance at the same deeply discounted price at which they sell drugs to Maine's Medicaid recipients. The Pharmaceutical Research and Manufacturers of America (PhRMA), the pharmaceutical manufacturers' trade group, sued Maine, stating that Maine Rx would illegally interfere with interstate commerce. Ultimately, the Supreme Court ruled in favor of Maine. Other states are expected to develop similar programs.

Some states are moving ahead with programs to help residents import cheaper drugs from Canada by placing links on their websites to assist residents in purchasing drugs. These states include Minnesota (www.state.mn.us/cgi-bin/portal/mn/jsp/home.do?agency=Rx) and Wisconsin (www.drugsavings.wi.gov). Illinois's governor, Rod Blagojevich, recently announced a plan named I-SaveRx to provide access to prescription drugs from several countries. Its website, www.i-saverx.net, is open to all Illinois, Wisconsin, Kansas, and Missouri residents to assist in the purchase of discounted pharmaceuticals from Canada, Ireland, and the United Kingdom. To learn more about I-SaveRx, go to the website or telephone 866-472-8333. Vermont has filed suit against the Food and Drug Administration to allow drug importation from Canada.

Cities are joining states in creating these programs. Springfield, Massachusetts', local government saved more than \$2 million in its first year of offering its city employees the opportunity to purchase certain prescription medications from Canada. Its neighbor Boston is planning a similar program.

While the Medicare Prescription Drug, Improvement and Modernization Act will help some seniors better afford medications and state and local programs will help some residents, these measures probably won't help your problem of runaway drug prices now.

You can lower your drug costs today by becoming an informed consumer. The following chapters will give you the information you need to obtain your drugs at affordable prices. Adam Smith wrote about the "invisible hand" of capitalism; however, even the most dexterous hand needs direction from an educated mind. Consumers understand the relative value of one product compared to a similar product and spend their money accordingly. Capitalism thrives in an environment filled with transparent pricing and widespread consumer information. As airlines and computer manufacturers will attest, when these conditions exist, prices fall dramatically. The major reason that airline travel, computers, and many other consumer products are so competitively priced is that information about the products and their prices is widely available to consumers.

Additional information about the relative effectiveness and value of different medications is badly needed by consumers. Pharmacists

generally provide materials discussing the prescribed drug at the time of purchase, but the information is limited mostly to indications for usage, side effects, contraindications with other medications, and directions for taking the pills. The overwhelming majority of consumers are largely uninformed about which other drugs might be alternatives. They do not have access to pharmaceutical price lists or studies comparing the relative effectiveness of various drugs.

By contrast, newspapers and magazines are filled with information about the best values in computers and airline travel. Articles list the products' relative merits as well as their prices. This widely disseminated information then enables consumers to purchase products more efficiently. Savvy travelers can now search multiple Internet websites for the best travel deals. Some travelers might fly to a different airport, take a later flight, or use connecting flights to their advantage. In other words, knowing how the system works empowers travelers, gives them multiple options, and makes traveling more affordable and accessible. This guidebook will show you how the drug delivery system works, which drugs can be sliced into two parts, which drugs have low-cost generic alternatives, and which pharmacies have the best prices. It will give you many ideas for other ways to save money.

Consider an example where informed consumers could save a lot of money. The National Institutes of Health studied thousands of patients with elevated blood pressure at an expense to taxpayers of tens of millions of dollars. The Antihypertensive and Lipid-Lowering Treatment to Prevent Heart Attack Trial (also known as the ALLHAT study), compared several popular medications used to treat high blood pressure. The trial determined that a generic medication, chlorthalidone, was equivalent (and in some ways superior) to the world's best-selling high blood pressure medication, Norvasc®. The daily cost of a dose of Norvasc® is about ten times greater than that of chlorthalidone.

Armed with information from the ALLHAT study, available at www.nhlbi.nih.gov/health/allhat/, consumers with elevated blood pressure could ask their physicians whether chlorthalidone is appropriate for them. Changing from one medication to the other could result in hundreds of dollars of savings every year.

The most proactive patients save the most money. If large numbers of consumers collectively become informed, dramatic savings

will occur. After consumers in the northern United States discovered that pharmaceuticals were priced less expensively in Canada, this information was initially shared among seniors, then ultimately disseminated widely by the media. Consumers have collectively reduced their annual pharmaceutical costs by hundreds of millions of dollars by purchasing medications from Canadian pharmacies. Sir Francis Bacon's declaration that "knowledge is power" seems more relevant today than ever before. The information contained in *Drugs for Less* has saved my patients hundreds of thousands of dollars. But, more important for many, the peace of mind of knowing that they will get the medications they need is the greatest benefit. *Drugs for Less* offers seven practical steps to help you lower your drug bills. The first step of this journey begins with an overview of those seven strategies.

Strategy 1: Learn Prices

You certainly know how much you pay the pharmacy to buy your medications, but you do not know if you are getting a good deal. This chapter shows you how U.S. consumers pay vastly *different* prices for the *same* drug. It also gives you prices for different dosages of best-selling drugs, so you can begin to know if you are paying a full, retail price when you could be paying less.

Strategy 2: Comparison Shop

Although you comparison shop for the best price on travel, computers, groceries, and gasoline, you likely buy your drugs from the most convenient pharmacy. After learning how to comparison shop for your prescription drugs, you will be able to dramatically lower your monthly cost of those drugs. This chapter will teach you how to save money by buying larger quantities of drugs, using the Internet to compare prices, and—if you decide to buy your medications from Canada—ways of doing this as safely as possible.

Strategy 3: Buy Generic Medications

The major difference between generic medications and brand-name medications is price. Generic medications are safe and regulated by the FDA to the same specifications as brand-name medications, but generics can cost 90 percent less than their brand-name equivalents. They are one of the highest-value, lowest-cost bargains available in prescription drugs. This chapter gives possible generic substitutions for brand-name drugs for common ailments as well as the names of more than 150 useful generic medications. Many readers will qualify for a program to purchase over fifty generic medications at a cost of about \$1.00 a week.

Strategy 4: Slice Medications

Years ago, male patients began to ask me to write their Viagra prescription for the 100 mg tablets, even though all they needed was a 50 mg dose. They had realized that the 100 mg tablets were priced identically to the 50 mg tablets, and therefore they would buy the 100 mg tablets and slice them into two parts. For many men, both the 50 mg and 100 mg tablets treated their erectile dysfunction equally well, so my patients would effectively “buy one, get one free.” While this strategy will not work for all medications, it will work for many of the world’s best-selling drugs; a list of one hundred drugs suitable for slicing is presented.

Strategy 5: Consider Other Medications in the Same Class

Smart shoppers know what they are buying, and informed patients understand how their medications work. Medications are grouped into classes in terms of how they work. By knowing about different classes of drugs, you will learn if there are lower-cost alternatives available. Major classes of drugs are listed, as well as which drugs within a class have a generic substitute available and which are available without a prescription.

Strategy 6: Put Your Government to Work for You

Federal and state governments are the number one purchasers of health care and prescription drugs, and you may qualify for assistance in paying for your prescription drugs. Many veterans do not realize that they can receive prescription drugs for free or at deeply discounted prices. People who are entitled to Medicaid are also entitled to the program's prescription drug benefits, and this chapter shows you how to determine if you qualify for your state's program. The new Medicare drug program, and how it will affect your wallet, is discussed. Phone numbers and websites for many state assistance programs are also listed.

Strategy 7: Use Pharmaceutical Assistance Programs

Hundreds of my patients have benefited by being enrolled in the pharmaceutical companies' assistance programs. These programs provide free or extremely discounted medications for patients meeting program requirements. A listing of hundreds of such medications is provided, as well as details about the individual programs.