

# Rising Drug Prices

## Navigating Higher Costs with Your Patients

Drug prices have continued to rise at an unmatched rate, despite the pandemic. Pharmaceutical companies increase drug prices annually in January and often again in July. Learn more about how drug pricing impacts your patients and get tips for prescribing lower-cost alternatives to brand name drugs.



### Unsupported Price Increases

The Institute for Clinical and Economic Review (ICER) analyzed drugs with the largest US sales revenue and found:

- No new clinical evidence to support significant price increases in 7 out of 10 drugs reviewed.
- For example, the net price of Enbrel® increased 8.9%, a boost in drug spending by \$403 million.
- Price increases for the reported 7 drugs cost the US healthcare system an additional \$1.2 billion.

The full ICER 2020 report can be found [here](#).

### How do higher drug prices affect your patients?

Patients may pay more out-of-pocket costs if they have high deductible plans, coinsurances, or higher tiered copays. Patients may have to choose between paying bills and paying for medications. When drug manufacturers increase drug costs, it usually hits the patient the hardest. This can also translate into higher health insurance premiums and copays for all of us.

The Texas Association of Health Plans highlighted three examples of price increases by pharmaceutical companies in their January 2021 report, **Fighting For Lower Drug Prices For You**. [Read full report here](#).



**652% Price Increase**  
for a drug that treats  
opioid overdose - at  
the height of the  
opioid crisis



**596% Price Increase**  
for an industry-leading  
antidepressant in just  
three years



**248% Price Increase**  
for Humira® - 12 price  
increases in 5 years

# Generic vs. Brand Name: A Closer Look

**Q:** What are generic drugs and how are they equivalent to brand name drugs?

**A:** The Food and Drug Administration (FDA) requires generic drugs to be chemically the same with the same medical effect as the brand name drug. Prescribing lower-cost generics when appropriate provides the patient equivalent effectiveness, purity, safety, and potency as their brand name counterparts.

**Q:** What are common patient barriers to using generics and potential solutions?

**A: BARRIER:** Patient preference or belief that brand will work better; perception of treatment failure after a switch

**BARRIER:** Market recall of generics

**BARRIER:** Past side effects of a generic product

**SOLUTION:** Providing patient reassurance and facilitating open communication about equivalency of generics is important. For narrow therapeutic drugs such as thyroid medications and warfarin, advise the patient to work with their local pharmacy to obtain the same generic manufacturer for refills. This can be helpful for consistency and to calm the patient's fears about using a generic.

**SOLUTION:** Members and providers receive medication recall notifications from Scott and White Health Plan that outline alternatives to recalled medications and steps to take for obtaining the substituted product if their medication is recalled.

**SOLUTION:** If the patient is not satisfied with their current generic, have the patient try another generic product in the same therapeutic drug class. See table below for lower-cost generic alternatives to high-cost brands.

**Q:** How much more does an average brand name medication cost vs. a generic medication?

**A: 18X MORE** - The average total cost of a brand medication costs \$450 for a one-month supply vs. \$25 for a generic medication. Based on data from a large group employer.

DRUG CLASS EXAMPLE	HIGH-COST BRAND MEDICATION	LOWER-COST GENERIC ALTERNATIVE	APPROX. MONTHLY COST SAVINGS
ADHD	Vyvanse® (\$\$\$)	Methylphenidate ER (generic Concerta®) (\$\$)	\$200
		Mixed Amphetamine Salts ER (generic Adderall® XR) (\$)	\$275
Arthritis pain	Diclofenac epolamine patch (Flector®) (\$\$\$\$)	Diclofenac 1% gel-OTC or Rx (\$)	\$650
		Lidocaine patch (\$\$)	\$575
	Pennsaid solution (\$\$\$\$\$)	Diclofenac 1% gel-OTC or Rx (\$)	\$2,450
		Lidocaine patch (\$\$)	\$2,375
Atypical antipsychotics	Caplyta® (\$\$\$\$\$)	Aripiprazole (\$)	\$1,650
	Seroquel® XR (\$\$\$\$\$)	Quetiapine (\$)	\$1,100
	Abilify® (\$\$\$\$\$)	Aripiprazole (\$)	\$850
Dermatologics	Finacea® gel (\$\$\$)	Metronidazole gel (\$)	\$300
Anti-Migraine	Trokendi® XR (\$\$\$\$\$)	Topiramate (\$)	\$900
	Ubrelvy® (\$\$\$\$\$)	Rizatriptan (\$)	\$850
Asthma	Proair® HFA (\$\$)	Albuterol® HFA (\$)	\$75
	Advair® Diskus (\$\$\$)	Wixela™ Inhub™ (\$\$\$)	\$100

Refer to member's plan-specific formulary for additional information.  
Average cost as of 4th Quarter 2020. Costs subject to change.

## REFERENCES

Food and Drug Administration. Generic Drugs: Questions & Answers. March 16, 2021. <https://www.fda.gov/drugs/questions-answers/generic-drugs-questions-answers> , accessed 4/28/21.

Marsh, T. Eight-Hundred Plus Drugs Became More Expensive This January—The Largest Number of Increases in Years. GoodRx. February 2, 2021. <https://www.goodrx.com/blog/january-2021-drug-increases-recap/> , accessed 2/12/2021.

Marsh, T. Live Updates: July 2020 Drug Price Increases. GoodRx. August 3, 2020. <https://www.goodrx.com/blog/july-drug-price-hikes-2020/> , accessed 2/12/2021.

Ledan Seema. Discussing Brand Versus Generic Medications. US Pharm. 2020; 45 (6): 30–32.

Purvis L. Prescription Drugs: Why are Prices So High and What Can We Do About It? AARP Webinar 1/19/2021 on TAHP Resources Webpage. [https://cdn.ymaws.com/www.tahp.org/resource/collection/0FCF7AC3-53A1-426F-A788-D9FB9BBCB675/01-19-21\\_Drug\\_Prices\\_Recent\\_Trends\\_Opportunities\\_for\\_Change.pdf](https://cdn.ymaws.com/www.tahp.org/resource/collection/0FCF7AC3-53A1-426F-A788-D9FB9BBCB675/01-19-21_Drug_Prices_Recent_Trends_Opportunities_for_Change.pdf) , accessed 2/10/21.

Rind DM, Agboola F, Chapman R, Borrelli E, McKenna A, Pearson SD. Unsupported Price Increase Report: 2020 Assessment. Institute for Clinical and Economic Review. January 12, 2021. <https://icer.org/assessment/unsupported-price-increase-2021/>.