



# RxDrug Pricing/CostTransparency

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*ConsumerReports Best Buy Drugs*

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- Drug prices long available
- Web explosion in last 3 years, online comparison tools
- States, employers, insurers, PBMs much more active
- Prices vary widely between stores
- Canada influential 2002-2004 – not as much now
- Medicare Part D – driving force now
- Renewed recent media attention
- Big Box stores – cheaper and volume growing



**The Big Question:**  
**Are consumers paying attention?**

**Answer:**  
**a qualified Yes**

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## **The Other Big Question:**

**Is Rx drug price transparency a model for other health care prices?**

## **Answer:**

**Probably not. But it has made consumers more aware.**

Let's start where a typical confused consumer might – one who has just been given his first prescription by a doctor for a chronic condition:

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# The Results are Not Bad... Top Listings:

- PharmacyChecker.com, Drugstore.com, DestinationRx
- NYAGRx.org, MD, Fla. – Rx Price listings Web sites
- ***Consumer Reports Best Buy Drugs*** (#11)
- Paid listings:  
Walmart, CanadaDrugs.com, Nationaldrugs.net, etc



## [Linkto Buy!](#) Prosand Cons

- A marketplace – except for the AG sites
- Selective contracting at many sites
- But mostly good, easy-to-use
- Evidence: consumers are checking online then buying at a pharmacy

# State Price Listing Sites

- Big Three: NY, MD, and FL
- Increasing traffic at all three
- NY requires signs referring to AG in stores
- Limits: top 25 drugs in NY, top 50 FL, MD, 33?
- Not all pharmacies in Florida
- Little information about health coverage, Medicare



# Will Other States Follow?

- Not a stampede, but momentum
- Maine, IL, WI – passed this year
- Others considering
  - NJ, OH, RI, IN, NM
  - DC – passed, now in court
  - GA – passed a law requiring all pharmacy bills to have full cost

# Employer, Insurer, PBMEfforts

- Mainly online tools, but some print materials
- Compare prices, shift to generics, get mail order
- Medco: launch new price-compare tool in March; 100,000 prices checked per week
- Express Scripps: similar tools, drive to generics
- Lumenos (Wellpoint): can check drug prices by cell phone

# What's Missing?

Prices alone are sometimes enough,  
but what consumers *really* want to know  
is not what is cheapest but:

What's the Best and what's the Best Value?

That's *ConsumerReports* ' specialty!





- An experiment in EBM. Comparative value!
- Launched in December 2004
- Translation of Drug Effectiveness Review Project (DERP) evaluations
- Combine effectiveness, safety, side effects, and cost information
- Choose *Best Buys*
- Many are generics, but not all



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www.CRBestBuyDrugs.org

- Typical savings: \$1,000 to \$2,000 a year
- 13 categories to date; over 60% of Rx spending
- HBP, cholesterol, asthma, ADHD, arthritis, Alzheimer's
- [www.crbestbuydrugs.org](http://www.crbestbuydrugs.org)
- Outreach effort in 5 states
- Around 800,000 downloads to date
- Some insurers have used, linked, sent print materials
- In negotiations now with potential distributors

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Reports and information to guide consumers and doctors in making more cost-effective prescription drug choices.



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#### Featured Drug Reports

##### Statins for high cholesterol

They sharply lower the risk of heart attack and stroke. But you may not need one if your cholesterol is only slightly elevated.

##### Menopause Symptoms

Hormone drugs do a good job of relieving symptoms. But links to heart disease and cancer mean they must be taken with special caution and only when really needed.

##### ADHD Drugs

Get a careful diagnosis before you or your child begins taking these medicines. Low- and moderate-cost generics, tested by time, are just as effective as expensive brands.

##### Antihistamines

Do you have allergies or hay fever? If so, this report can help you save \$1,400 or more if you need to take an antihistamine to relieve symptoms. Low cost nonprescription loratadine is effective, safe, and our *Best Buy* pick.

##### NSAIDs

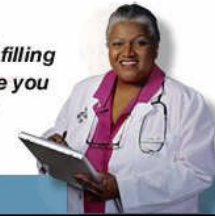
Find out if you should avoid taking them amid new concerns about safety and risk; the *Best Buy* picks could save you up to \$2,100 a year if you need an NSAID.

#### Feedback & Follow-Up

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Have you ever **avoided filling a prescription** because you **couldn't afford it?** *Drugs?*



#### WELCOME!

Prescription drugs can be expensive, even if you have insurance coverage. But there are medicines that can effectively meet your medical needs and give you better value for your health care dollar. *Consumer Reports Best Buy Drugs* is a free public education service from the nonprofit Consumers Union, publisher of *Consumer Reports*. Millions of Americans trust *Consumer Reports* to provide expert, independent information about products and services, and to help them save money.

The information on this website can help you learn about more affordable drug treatment options to discuss with your physician. We work with respected doctors and pharmacists to compare drugs and point you to those that are proven to work based on current scientific evidence. In concise, easy-to-read reports, we tell you what you need to know about the effectiveness, safety and cost of many widely used prescription drugs.

#### Alerts & Updates

**Safety Alert:**  
**Antibiotics, heartburn medicine, and drug-resistant infection**

[Full Alert >>](#)

**New Menopause-Hormone Therapy Study Opens Questions-Our Advice**

[Read Full Update >>](#)

**Study Supports Acetaminophen Against Arthritis Pain, But NSAIDs Stronger**

[Read Full Update >>](#)

***Best Buy Drugs* to the Medicare Rx "doughnut hole" rescue**

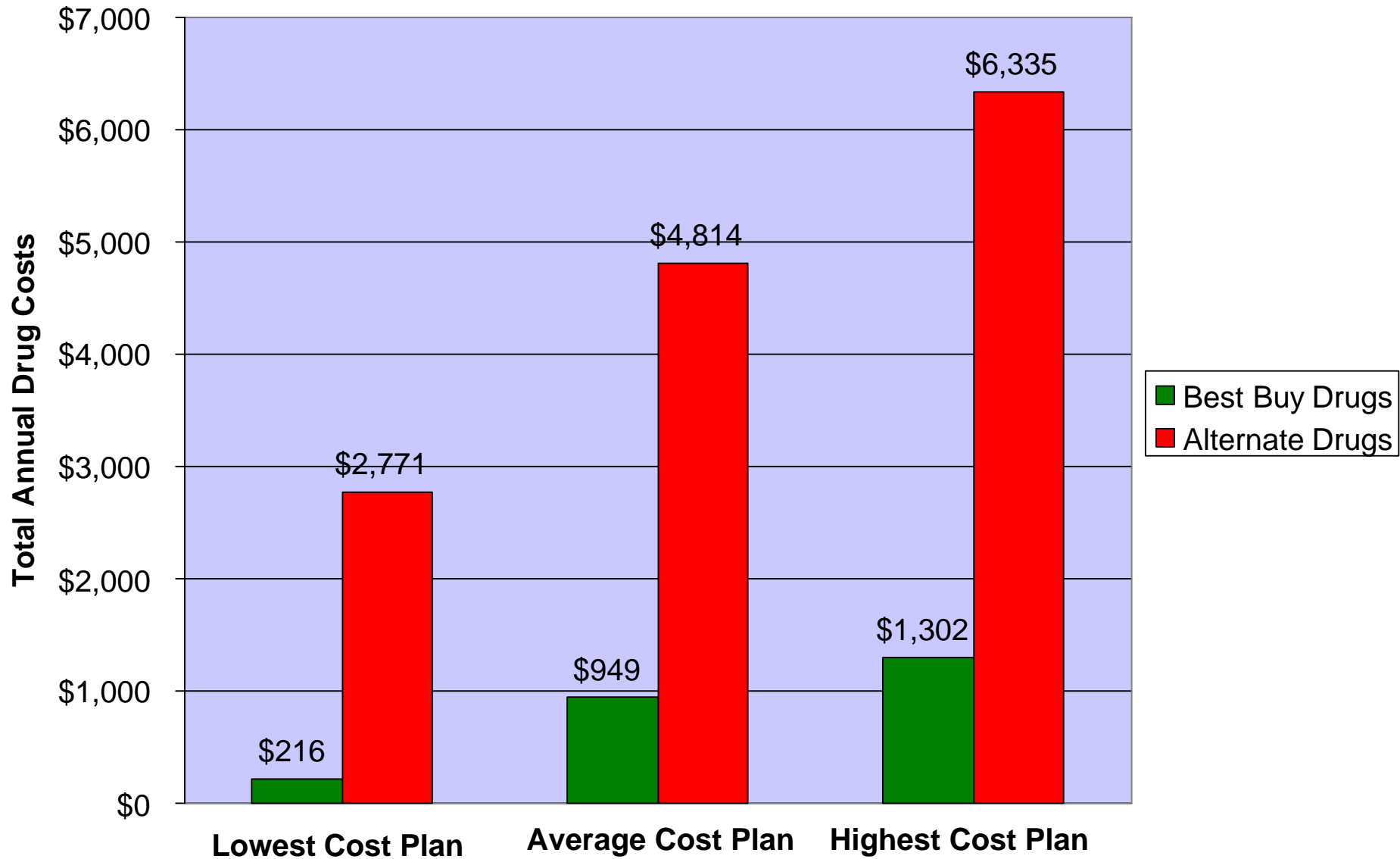
[Read Full Update >>](#)

## Cost Comparison — Alzheimer's Disease Drugs

	Generic Name and Dose	Brand Name	Frequency of Use Per Day <sup>1</sup>	Average Monthly Cost <sup>2</sup>
CR BEST BUY	Donepezil tablet 5mg	Aricept	One	\$160
CR BEST BUY	Donepezil tablet 10mg	Aricept	One	\$161
CR BEST BUY	Galantamine tablet 4mg	Razadyne (Reminyl) <sup>3</sup>	Two	\$177
CR BEST BUY	Galantamine tablet 8mg	Razadyne (Reminyl) <sup>3</sup>	Two	\$171
CR BEST BUY	Galantamine tablet 12mg	Razadyne (Reminyl) <sup>3</sup>	Two	\$176
CR BEST BUY	Galantamine sustained release capsule 8mg	Razadyne ER	One	\$181
CR BEST BUY	Galantamine sustained release capsule 16mg	Razadyne ER	One	\$178
CR BEST BUY	Galantamine sustained release capsule 24mg	Razadyne ER	One	\$178
CR BEST BUY	Memantine tablet 5mg	Namenda	Two	\$155
CR BEST BUY	Memantine tablet 10mg	Namenda	Two	\$148
	Rivastigmine capsule 1.5mg	Exelon	Two	\$188
	Rivastigmine capsule 3mg	Exelon	Two	\$193
	Rivastigmine capsule 4.5mg	Exelon	Two	\$191
	Rivastigmine capsule 6mg	Exelon	Two	\$189
	Tacrine capsule 10mg	Cognex	Four	\$353 <sup>4</sup>
	Tacrine capsule 40mg	Cognex	Four	\$174 <sup>4</sup>

- (1) Frequency of use reflects typical dosing; some products may be used more or less frequently.
- (2) Prices reflect nationwide retail average for October 2005, rounded to the nearest dollar. Information derived by *Consumer Reports Best Buy Drugs* based on data provided by Wolters Kluwer Health, Pharmaceutical Audit Suite.
- (3) Brand name for galantamine was changed from Reminyl to Razadyne in April 2005 in the U.S. to avoid name confusion with the diabetes drug Amaryl.
- (4) Monthly cost calculation based on less than 10 prescriptions nationwide.

# Medicare Part D: Cost Implications of Switching to Cost-Effective Drugs January 2006





# Concluding Thoughts

- AARP also has translation of DERP on their Web site
- DERP now 15 states, including NY and CA
- **All** should sponsor translations for consumers
- DERP should spread to 10 more states
- Assessing **value** is harder but the way to go
- Synergistic with EBM movement
- Will be **a lot harder** for doc and hosp, etc. prices