

January 15, 2010

Prescription costs vary widely

Written by Lucy Soto

More of us are cruising the coupon section, comparing prices at the grocery store and skipping the extras, but many consumers are missing out on big savings for a critical necessity — prescription drugs.

Prices vary wildly: Some drugs cost twice as much at the metro Atlanta pharmacies that charge the most. Yet consumers routinely hand their prescriptions to pharmacists without asking about costs, or they blindly depend on insurance co-pays.

“It doesn’t dawn on people that they should be shopping or comparing prices,” said Devon Herrick, an economist who wrote the study “Shopping for Drugs” in 2007 and is planning an update this spring.

For Georgia’s uninsured, being price conscious is essential. According to the Kaiser Family Foundation, Georgia ranks fifth, behind California, Florida, Texas and New York, in the number of residents without insurance. That was nearly 1.7 million Georgians in 2008.

With increases in unemployment, the group predicts, states will see giant leaps in the numbers of adults who are uninsured and not covered through public programs.

But checking prices also makes sense for consumers whose prescriptions are paid by third parties such as insurance companies

and Medicaid or Medicare. In some cases, a generic drug can cost less than the insurance co-pay. And if an insurance plan pays a percentage of the cost, consumers can wind up paying double for their share of the cost of the same name-brand prescription from one store to the next.

Calls to a handful of randomly selected pharmacies in metro Atlanta showed the generic drug Simvastatin, commonly prescribed to fight high cholesterol, was \$24.36 for a month’s supply at Wal-Mart and more than double that at CVS and Walgreens. A few independent drug stores priced the same prescription at \$15. At Costco, the price dropped to \$5.90.

For the generic depression drug Citalopram or the antibiotic Amoxicillin, consumers could get a lower price — \$4 for a month’s supply — at Wal-Mart.

Why is it such a pricing jungle out there? Often, said Herrick, who works with the National Center for Policy Analysis, it’s because drugstores can get away with it.

“It varies because it can,” he said. “Because people don’t consider prescription drug purchases in the same light as other purchases, and when the doctor is the one prescribing, it even removes more discretion. ... And often, the big well-known

chains are the worst, especially with generic drugs.”

The National Association of Chain Drug Stores doesn't comment on price-related issues, said spokeswoman Chrissy Kopple. “However, prices on medications and other products do vary based on many operational factors, including supply chain issues, the costs of doing business in various areas, wholesale prices and more.”

Some states, such as Michigan, New Jersey and Florida, have created consumer Web sites to compare drug prices. In New York, pharmacies are required to post prices for 150 commonly used drugs. Georgia has a Web site — www.georgiahealthinfo.gov — launched in 2008 and updated last summer that consumers can use to compare health plans, long-term care and more. The prescription section compares prices Medicaid patients would pay for drugs.

Even with the online help, consumers still need to do their own legwork, said Adam J. Fein, president of the Pembroke Consulting research firm in Philadelphia. He's skeptical about the drug price databases.

“The data on those sites are outdated or in some cases just inaccurate,” said Fein, who writes a blog called DrugChannels about pharmacy economics. “There's no evidence that posting prices on a Web site has any value. It ... doesn't necessarily change behavior or provide information that the average consumer is going to use.”

In addition to doing their own price comparisons, experts suggest, consumers should talk with their doctors about over-the-counter alternatives or generics, splitting pills and samples. But don't let samples distract from what might be a less costly and equally effective alternative drug.

“Oftentimes, doctors put you on these drugs out of the sample closet because the pharmacy rep was just there,” Herrick said, “and because people like samples.”

For people with good insurance and low co-pays, or who believe they don't have to care about prescription prices — think again. Some plans are moving to sliding percentage co-pays, tiered drug reimbursement and higher deductibles.

“If no one cares, that's just going to drive the price up,” Herrick said. “If we all do that, it gets passed on to the cost of employer plans and passed on to workers through reduced wages. ... And now, drug plans are adding more bites to the package, if you don't consider the price.”

How we got the story

Noticing a proliferation of complaints on blogs and consumer Web sites about prescription prices, the AJC called more than half a dozen pharmacies, chain drugstores, low-cost warehouses and independent drugstores in Atlanta, Decatur, Dunwoody and Marietta to ask about the prices of five frequently prescribed drugs. We trolled drug comparison Web sites and talked to experts who have studied pharmaceutical trends and the economics of prescription shopping.

Online comparisons

Here are some research and drug-pricing Web sites that can help jump-start the conversation with your doctor and pharmacist:

Medical Cabinet Adviser: Identifies generic alternatives and comparable name brands that could provide the same relief. The site creates a pricing report, listing the retail and

mail-order cost of that drug, as well as generic and other alternatives. The service is free, but you must register.

Consumer Reports: Provides a medication tracker tool, safety alerts, research and low-cost alternatives on hundreds of prescription drugs.

Internet Drug Index: Researches drug interactions and generic options. Owned and operated by WebMD.

Pricing pills

A random sampling of prescription medicine prices at metro stores:

Citalopram [20mg, 30 pills]

- Walmart: \$4
- Costco: \$6.90
- CVS: \$27.89
- Walgreens: \$22.99

Celexa, [20mg, 30 pills]

- Walmart: \$112.84
- Costco: \$103.92
- CVS: \$119.99
- Walgreens: \$125.99

Simvastatin [20mg, 30 pills]

- Walmart: \$24.36
- Costco: \$5.90
- CVS: \$58.99
- Walgreens: \$59.99

Zocor [20mg, 30 pills]

- Walmart: \$166.72
- Costco: \$152.78
- CVS: \$176.99
- Walgreens: \$164.99

Amoxicillin [500mg capsules]

- Walmart: \$4
- Costco: \$5.90
- CVS: \$17.29
- Walgreens: \$13.49

Note: Citalopram, for depression, and Simvastatin, for high cholesterol, are commonly prescribed generics. Celexa and Zocor are their name brands, respectively. Amoxicillin is a popular antibiotic.