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## Your Patient's Drug Bill Keeps Growing: What to Tell Them?

**THE DRUG BILL OF CONSUMERS CONTINUES TO GROW, BUT THERE ARE THINGS THAT THEY CAN DO ABOUT IT AND DOCTORS HAVE WAYS OF HELPING THEIR PATIENT IN THIS REGARD.**

Our presidential election is only days away. Forty eight million people in America are uninsured and healthcare costs are rising 2 to 3 times faster than our nations GDP. Where will America's Healthcare System be in 5 years? Welcome to ReachMD's monthly series focused on Public Health Policy. This month, we explore the many questions facing healthcare today.

The drug bill of consumers continues to grow, but there are things that they can do about it and doctors have ways of helping their patient in this regard. Welcome to The Clinician's Roundtable on ReachMD XM 157, The Channel for Medical Professionals.

I am Bruce Japsen, the healthcare reporter of the Chicago Tribune and with me today is Dr. Devon Herrick, senior fellow at the National Center for policy analysis. Dr. Herrick is a healthcare economist specializing in such issues as empowering patients, smart shopping for prescriptions, internet-based medicine, consumer-driven healthcare, and innovative among medical care providers. He has been quoted widely in the media. He has also contributed his own articles as contributing editor of healthcare news and his work has also appeared in Business Economics, health insurance underwriter, Washington Times, and the Journal of American Physicians and Surgeons, and he joins us today from National Center for Policy Analysis office in Dallas, Texas.

**BRUCE JAPSEN:**

Dr. Devon Herrick, welcome to ReachMD XM 157, The Channel for Medical Profession.

**Dr. HERRICK:**

Thanks Bruce, it is good to be on your show.

**BRUCE JAPSEN:**

Well, Americans spent nearly three hundred billion dollars on prescription medicines and over-the-counter drug remedies last year and you are someone who advises people on how to deal with this, are there some new approaches in dealing with these costs and navigating the doctors and the patients through this?

**Dr. HERRICK:**

Oh absolutely, in the past people often times, just really never gave it a second thought. They would get

a prescription, go to the most convenient pharmacy, fill it and they would have steeper shock and they would just amaze why this costs so much, but yet the patient's never bothered to ask their doctor you know how much does this drug cost? What else is out there? And they never bother to even compare prices among different pharmacies in their neighborhood.

**BRUCE JAPSEN:**

Is this trend being fueled for the faith of the folks who had health insurance by the fact that every year during open enrollment you open up your paperwork or you go on-line and find out that the copays are higher, co-insurance. The insurance just does not cover as much.

**Dr. HERRICK:**

Oh absolutely, and that was precisely the problem in the past with people find the drug cost you know 10, 15 or 25 dollars. Well of course a name brand drug probably costs close to 125 dollars and of course that comes out of you know your health insurance premiums indirectly, so they go up every year. And yet but when people realize and it is also a lot of firms are beginning to give their workers online tools to help them understand what else is out there that might be similar to that 125 dollar prescription that may be on Wal-Mart's 4 dollar list.

**BRUCE JAPSEN:**

And what are these tools walk us through some of these if you will because a lot of people might not be familiar with them or if from the consumer standpoint, but also from the physician standpoint they are busy seeing patients all day and they might not know what to tell their patients in regard to what is available to help them get some cheaper drug cost.

**Dr. HERRICK:**

Well the first step you can take to lower your drug cost is the one you take at your physician's office. If your physician walks over to the supply closet and pulls out a free sample well that is not an inexpensive drug that is a sample, a name brand drug that the drugmaker wants to promote and so when you go to get that one refilled that will be a costly prescription. That would be a good time to talk to your doctor and say okay, this is a sample I have realized it is probably under patent protection, but you also give me a prescription so I could sample a low cost generic to see how that might work. Some of the techniques that I advice people, is first off is talk to you doctor ask you doctor questions, but compare prices, just because one pharmacy charges one price for a drug it does not mean it is the same price at even the same pharmacy chain across town. Of course, therapeutic substitution, there is for every given condition there is variety of drugs to treat that condition and the prices can vary substantially and one you have probably heard about in the generic substitution but also buying double strength pills and splitting them in half because typically the cost for a prescription is the same regardless of the dose. But also I found that especially with generic drugs you can order by mail in bulk and volume of say 100 tablets and in many cases it is only may be 40% and 30% more than buying only 30 at a time.

**BRUCE JAPSEN:**

We bring up an interesting point because I read a lot about the pharmaceutical industry and the brand name pharmaceutical companies always will say and there is a lot of truth in this with the fact that if you are a patient without health insurance, they have no idea of knowing that if a certain pharmacy chain maybe located on one side of town may charge less for the same product in another side of town. This is true isn't it?

**Dr. HERRICK:**

Oh it is amazing I mean a few years ago, there was quite a few TV newscasters that performed you know investigating reporting of various prices around town and I was able to obtained a lot of these antidotes and found out that for example when the generic form of Prozac came out that some of these chains were charging say 3000 to 4000% markup. You know for example you walk in to a pharmacy

and you need to have a name brand prescription for Prozac and they would say Oh! you know the generic is out now that will make up and you can save 10 dollars. People would say ok great, but they didn't know is that they could have probably saved 60 dollars or 70 dollars had they shopped around at a more competitive pharmacy.

**BRUCE JAPSEN:**

Is this true, relative to, I mean a lot of people don't realize just how many people are in the pharmacy business. I mean Walgreen, Wal-Mart, and Glasgow, would you advice the patient and would you advice the doctors to tell their patient's, hey! if you don't have drug coverage, whether it is a brand or generic you might want to consider shopping for drug just like you do toilet paper or bulk dog food for your pet.

**Dr. HERRICK:**

Well that is true, about insured patients to some degree it is also true that the people would have drug coverage simply because there are cases where you know you have a drug copay that is actually costs more, then say that the actual full cost of the drug at a lot of these chain are now discounting them for 4, 5, and 6 dollars. Generic copay might me 10 or 15 dollars, but yet the actual drug now only cost only 4, if you do not use your insurance plan to purchase them.

**BRUCE JAPSEN:**

That is actually very interesting and all you would really need if you wanted to do this because Wal-Mart made a lot of news last year and some other of the big chains followed suit by basically saying "we will cover your generic for 4 dollars, but all you really need is a prescription from your doctor," correct, I mean you don't have to use the In-Network Pharmacy to take advantage of that price, do you?

**Dr. HERRICK:**

Oh absolutely, in fact you better ask to make sure they are not charging you for example the Blue Cross price, because the Blue Cross price may be more than the actual cost if you just paid out of pocket.

**BRUCE JAPSEN:**

Also would this hold for over-the-counter substitution etc., etc. I mean do you, it is something that consumers just they do not have a good understanding of how the health care system works. Is that pretty much what we are up against?

**Dr. HERRICK:**

Well yeah that is definitely a good assessment and I do think that your first line of chose, you should look to the over-the-counter market. For example, let say you are on Prevacid or you are on Nexium, these are drugs for serious heartburn, they are a class called PPIs and by the way you can get one over-the-counter it is the old purple pill, Prilosec that is about 62 cents per capsule versus around 4 dollars may be 460 a capsule. The same is true for some of the non-sedating antihistamines. When I was first given a prescription for Claritin about 5 years ago, I discovered that my cost is going to be roughly 1000 dollars a year. Not wanting to wipe out my health savings account at that it was a medical savings account I looked for an over-the-counter substitute using a variety of the older generation, they still worked quite well, but you have a lot of examples like loratadine, which you can get almost a year supply for 20 bucks at Sams or even the generic for Vytarin, which is like 35 dollars for year supply, first it was 1000 dollars for the prescription drug.

**BRUCE JAPSEN:**

Consumers can reduce the cost by a lot of money, can you tell us a little bit about some of these

techniques and how much money they can save.

**Dr. HERRICK:**

For example I did a case study on a drug Mevacor. This is a beta-blocker and it is very, very common among senior citizens. I would want to say from the top 10 or 15 drugs taken by seniors. If your doctor prescribes Mevacor it is a name brand drug, you can easily spend between 500 to 600 per year on that drug, but by merely asking for the generic form atenolol you can cut that by more than half. But I also found that if you ask your physician can I get this in double strength tablets, so then I can split in half and can I get you to prescribe 100 tablets at a time, it is essentially a 6 months supply of this drug. But yet when you do that on annual basis and you have a highly competitive mail order pharmacy you can cut your annual cost down to about 25 or may be 30 dollars. That is a 95% savings.

**BRUCE JAPSEN:**

That is a lot of money and I think there are also a lot of retailers getting into programs beyond just simply trying to be the In-network provider of prescriptions for consumers. I mean more and more retailers are getting into their own drug programs aren't they.

**Dr. HERRICK:**

Yes, it has become very, very competitive every since Wal-Mart announced their 4 dollar prescriptions. You had targeted other offering the max set or rolling out their own programs so if you look at the increase in the cost of drug last year, it was actually very, very moderate as compared to years in the past. So, luckily our drug market is becoming more competitive and that is even true of the name brand drug that is now competing with the low cost generics.

**BRUCE JAPSEN:**

Tell us about that because a lot of people generally think that the only place you are going to get a cheap drug or less expensive drug, as you will is a generic, but in the brand name arena there is some price competition as well.

**Dr. HERRICK:**

Well there is price competition among brand names of the same class, but what we are finding is that as people are increasingly hearing about the generic drug program at Target Wal-Mart that they are asking their doctor is that on the Wal-Mart drug list, well if they do that that means they are not and the doctor of course says I do not think so. That means they are substituting the lower cost generic with the higher cost name brands, which means the name brands are under more pressure to be competitive because so many of the customers in the past might have just taken the free sample are now saying whether this is on Wal-Mart drug list. So, it does create competition simply by having a substitute for a lower cost drug.

**BRUCE JAPSEN:**

Now our physician understanding of all this, I mean so let say I am a patient I have written about health care for almost 2 decades now so I kind of know how the system works, you know how the system works as an analysis but are patients comfortable saying to their doctor, Hey doctor! I need to try a generic or is there an uncomfortable conversation there that needs to happen.

**Dr. HERRICK:**

I think there is and also I think it is becoming increasingly common. In the past may be five years ago or 10 years ago there was an assumption that your physician carefully thinks about the drug that you should be on and prescribes the optimal drug for your condition. But in many cases your physician actually is grabbing the free sample that was dropped off this morning by the attractive drug rep and so



the patients are beginning to say what about this drug, is there something else I can do and I think physicians are becoming more comfortable saying I realizing that in some case you really cannot afford the 125 dollar month charge when there be a 4 dollar charge might work as well.

**BRUCE JAPSEN:**

I would like to thank Dr. Devon Herrick who has been our guest. He is with the national center for policy analysis and we have been talking about the three hundred billion dollar drug industry and how patient can find about better ways to navigate this expensive and costly system and how doctors can help them. I am Bruce Japsen of the Chicago Tribune; I have been your host and would like to thank you for listening to ReachMD XM 157, The Channel for Medical Professionals. If you have comments or suggestions about today's show, please call us at 888MD XM 157 and I would like to thank you today for listening.

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