

AARP: Prescription drug prices on the rise

April 15 2009, By ERICA WERNER , Associated Press Writer

(AP) -- Prices of the most popular brand-name prescription drugs are on the rise even as the economy falters, the AARP says.

But the group's annual study released Wednesday also found prices of generic drugs are falling and more and more seniors are making the switch to generics, a trend the powerful senior citizens' lobby hopes to encourage.

AARP also wants policy makers to focus on how to bring [drug](#) prices down as Congress prepares legislation to reshape the nation's costly health care system.

The group said that prices manufacturers charged for the most widely used brand name drugs rose 8.7 percent in 2008, higher than in years past. The general inflation rate in 2008 was 3.8 percent.

"Just about everybody in today's economy is feeling some economic pressures and it does not help that the drugs you take to keep healthy are much more expensive than last year," said AARP's public policy director, John Rother. "I think this makes the case for [health reform](#)."

The drug lobby group Pharmaceutical Research and Manufacturers of America dismissed AARP's report as "one-sided," criticizing its focus on selected brand-name medicines.

"Unfortunately, AARP distorts the true, overall picture in hopes of dramatizing its report and deflecting attention from the millions of

dollars it earns each year from its insurance businesses," PhRMA's senior vice president, Ken Johnson, said in a statement.

AARP's report highlighted growing costs of what it said were the 219 most widely used brand-name drugs.

Among the drugs that saw the biggest price increases in 2008, according to AARP: Prevacid, for acid reflux; Wellbutrin, for depression; and Lunesta, for sleeping.

Prevacid went up by 30 percent, Wellbutrin by 21 percent and Lunesta by 20 percent.

Financial analysts have attributed some of the increases to drug makers attempting to boost profits amid an [economic downturn](#) as they confront the prospect of congressional action on health care that could change the marketplace.

Also some brand-name drug prices are increased shortly before their patents expire and they become available as generics. Prevacid, for example, is going off-patent in November.

Rother said the increases make the case for policy changes such as allowing the government to negotiate drug prices or reimportation of drugs from other countries so Americans can pay the lower prices typically charged elsewhere.

AARP is also eager for Congress to address the notorious "doughnut hole" in the Medicare drug benefit. That's the gap in coverage - included in the 2003 law to keep down costs - that occurs once the cost of a patient's prescriptions exceeds about \$2,700. Patients have to cover the next \$4,350 on their own until Medicare coverage kicks in again.

AARP's report said that generic drug costs fell an average of 10.6 percent in 2008.

A government survey released in February that counted all prescription drug expenditures, including generics, found that costs grew 3.5 percent last year. That was a slowdown from 2007 that federal economists attributed to increased use of generics and people filling fewer prescriptions because of the recession.

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