

US prescription drug use fell in 2008, study says

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(AP) -- Prescription drug use in the U.S. fell last year, although total spending on drugs increased as prices rose sharply on brand-name products, pharmacy benefits manager Medco Health Solutions said Wednesday.

Medco said the overall decline in prescriptions was the first in a decade. The company, which handles <u>drug</u> benefits covering about 60 million people, said total prescription use was down because few new drugs were launched last year, former blockbuster drugs like Zyrtec became available without a prescription, and some drugs faced safety issues that led to decreased use.

Those factors had a bigger impact on prescriptions than the recession, the company said.

Total spending grew 3.3 percent, Medco said, mainly due to greater use of "specialty" drugs, which treat chronic and long-term illnesses. The strongest growth came from <u>diabetes drugs</u>, and use of specialty treatments for cancer, along rheumatological disease, seizure disorders and <u>antiviral drugs</u> also increased. The average price of brand-name pharmaceuticals rose more than 8 percent in 2008, the fastest increase in five years.

Drugmakers tend to raise the price of a product as the date of its patent expiration approaches. After the key patents supporting a drug expire, generic versions usually reach the market and are available for a fraction



of the price.

The company thinks spending will pick up over the next few years, forecasting annual growth of 4 to 7 percent through 2011.

Franklin Lakes, N.J.-based Medco is the largest pharmacy benefits manager in the U.S. The company filled almost 800 million prescriptions last year.

Revenue from specialty drugs rose almost 16 percent for the year. Medco said growing use of low-cost generic drugs reduced the growth in total spending: 64 percent of all prescriptions were filled with generic drugs. Medco and other pharmacy benefits managers make a larger profit when generic drugs are substituted for brand-name ones. They encourage health plans to develop ways to increase use of generics and 90-day mail-order prescriptions.

Some drugs that were previously available only with a prescription changed to over-the-counter status in 2008, reducing total prescriptions. The biggest names were Zyrtec, an allergy medication, and the laxative Miralax. Drug use was essentially flat with 2008 if Zyrtec and Miralax are excluded, Medco said.

Prescriptions for people 19 and under grew faster than for any other age group. Medco said that was due to rising rates of diabetes among the young, and more prescriptions for attention deficit disorder and similar problems.

Several billion dollar-selling drugs took hits due to potential safety issues last year. Sales of the diabetes treatment Avandia fell after the Food and Drug Administration added new warnings to its labeling, pointing out concerns about heart problems. Sales of the cholesterol drug Vytorin fell after a study released in January showed it was no better than an older



drug, Zocor, at reducing plaque buildup in neck arteries. Zocor is available in generic form for about 80 percent less.

Sales of Amgen's Aranesp and other drugs used to treat chemotherapy-induced anemia have been sliding for two years, since studies connected the drugs to the faster growth of some tumors. Medco said safety issues also affected sales of osteoporosis drugs and hormone replacement therapies, and product recalls hurt sales of migraine and cough and cold therapies.

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