

Use of \$4 generic drug programs could save society billions of dollars, study shows

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If all eligible patients filled their prescriptions through a \$4 generic drug program, the societal savings could amount to nearly \$6 billion, according to a University of Pittsburgh Graduate School of Public Health (GSPH) study. Published in the March 14 issue of *Archives of Internal Medicine*, the study is the first to evaluate the potential national savings from a broad use of discounted generic medication programs that are available at many retail stores' pharmacies.

The study examined a large group of people who used generic medications or their brand-name counterparts – drugs like lovastatin or prescription-strength ibuprofen – that also were available for \$4 per 30-day supply through a discounted [generic drug](#) program. The study found that among the patients taking these medications, less than 6 percent used the \$4 generic medication programs in 2007, even though on average prescription drug coverage plans ask patients to pay about \$10 per 30-day supply for generic drugs and about \$25 per 30-day supply for brand-name medications.

Had all eligible patients used the discount programs in 2007, the societal savings would have been \$5.8 billion.

"Although just half of the potential users of the \$4 programs would have saved more than \$22 a year in out-of-pocket expenses, the societal savings are great. This suggests the majority of savings comes from a small proportion of individuals," said the study's lead author, Yuting Zhang, Ph.D., assistant professor of health policy and management,

GSPH.

The researchers examined a nationally representative sample of nearly 31,000 people in the 2007 [Medical](#) Expenditure Panel Survey (MEPS) and identified patients who could have saved money had they filled their medications through a discount generic drug program. The researchers calculated potential savings as the difference between the actual prescription payments recorded in MEPS and the \$4 the patients would have paid through a discount program.

"We are not promoting any specific pharmacy or any retail store's discount generic medication program," Dr. Zhang said. "However, if policy makers and clinicians direct patients to low-cost generic programs, patients and taxpayers could save tremendously."

Provided by University of Pittsburgh Schools of the Health Sciences

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