

The cost of prescription drugs—a comparison of two countries

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In the United States, the cost paid for statins (drugs to lower cholesterol) in people under the age of 65 who have private insurance continues to exceed comparable costs paid by the government in the United Kingdom (U.K.) by more than three fold. These results from Boston University's Boston Collaborative Drug Surveillance Program, are a follow up of an ongoing comparison of prescription drug costs between the U.S. and U.K. The initial results reported on relative drug costs in 2005. The current updated results for 2009 appear this week in the journal *Pharmacotherapy*.

In a comparable base population of about 1.2 million people in each country, the estimated number prescribed a statin increased from 103,000 in 2005 to 125,000 in the U.S. in 2009 and from 67,000 to 105,000 in the U.K. The total estimated cost for statins in the U.S. paid by private [health insurance companies](#) was \$87 million in 2005. In July 2006, simvastatin ([Zocor](#)) was made available in a generic formulation and became the most widely prescribed statin. The cost per pill fell from \$3.91 in 2005 to \$0.20 in 2009. As a result, despite the increase in number of statin users in the U.S. the total private insurance cost for all statins fell from an estimated \$87 million in 2005 to \$47 million in 2009. In the U.K., where costs are paid for by the government and generic statins were widely available and prescribed, the total [statin](#) cost was estimated to be \$17 million in 2005. Because the cost of generic statins continued to be reduced the total cost fell to \$14 million in 2009 despite a large increase in the number of users.

[Cost estimates](#) for [Proton Pump Inhibitors](#) show a similar pattern to those for statins. The total cost for continuous users was estimated to be \$14 million in the U.S. compared to \$4 million in the U.K. in 2005. Costs in both countries fell about 20 percent in 2009 as generic formulations became more available at lower cost.

In the U.S., over the past decade, roughly 180 million people below age 65 years have been covered annually by [private health insurance](#) companies. Based on the large sample of about 1.2 million people (0.7 percent) the researchers estimate that the total cost of branded statins paid by private insurance companies was more than \$10 billion in 2005. Due to the availability of generic formulations of these drugs, the cost fell by half in 2009 for a savings of some \$5 billion. Reductions related to other prescription drugs have regularly occurred.

"The cost of prescription drugs incur a tremendous burden to the U.S. economy, whether paid by [private insurance](#) companies through higher insurance premiums or paid by the government that provides this service for the military, other government employees, the elderly and others," said author of the accompany editorial Hershel Jick, MD, director emeritus of the Collaborative Drug Surveillance Program and associate professor of medicine at Boston University School of Medicine.

According to Jick, these results are based on reliable, inexpensive and transparent resources that can be used to form a basis for considering public and private policy related to the cost of prescription drugs.

"Information on a substantial majority of drugs, including those prescribed primarily for children, can be derived from these continuous reliable electronic data resources. They yield critical insight into the difference in drug costs between the U.S. private sector compared to the U.K. government that can lead to creation of policy that provides greater efficiency and large cost savings," he added.

More information: [onlinelibrary.wiley.com/doi/10...
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