

New study highlights massive prescription price hikes

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Derma-Smoothe oil is a topical treatment for eczema that cost \$46 in 2009. This year, its retail drugstore price hit \$323.

Retin-A Micro, an acne skin treatment, cost \$178 in 2009. This year, it was selling for \$915.

Prices for dermatology products have increased dramatically in the past six years, according to new research, but few like the price of Cara cream, which is used to treat wartlike precancerous growths as well superficial basal-cell skin cancer.

Its price jumped from \$159 in 2009 to \$2,865 this year.

"This is really a phenomenon that is pervasive throughout the entire pharmaceutical industry," said lead author Miranda Rosenberg. "It has the potential to bankrupt our system."

Rosenberg, a third-year medical student at the University of Pennsylvania, teamed up on the paper with her father, Steven Rosenberg, a West Palm Beach, Fla., dermatologist who also teaches at the University of Miami. It was published Wednesday in *JAMA Dermatology*.

The paper, which involved a survey of 19 dermatology products, found they had increased an average of 401 percent between 2009 and 2015. The survey was based on [prices](#) at four national chain pharmacies:

Costco, CVS, Sam's Club and Walgreens. The surveyed stores all were in Florida, though prices at the individual chains were consistent around the country.

"The majority of the drugs are bread and butter drugs that a lot of patients are on," Miranda Rosenberg said.

The price increases outpaced the national consumer price index inflation rate of 11 percent for the five-year period, the paper said. The research comes amid growing concern and government inquiries about dramatic increases in prescription drug prices in general.

The paper confirms what many consumers already know: that their ability to pay for the drugs they need is becoming more and more difficult, said Michael Carome, a physician and director of the Health Research Group of the watchdog organization, Public Citizen.

Carome, who was not involved in the paper, said the price increases are not due to inflation or higher priced ingredients.

"It's because companies can jack up their prices and patients are held hostage," he said.

In July, Public Citizen issued a report on what it said were needlessly high Medicare Part D brand name drug prices. It blamed the prices on congressional restrictions on the government's ability to negotiate with the pharmaceutical industry.

The JAMA Dermatology paper noted that as health insurance programs impose more restrictive formularies and higher deductibles, consumers are being forced to pay more out-of-pocket for drugs.

Or they simply do not fill prescriptions. A 2014 study found that 19

percent of Americans aged 19 to 64 chose not to fill at least one prescription because of cost.

The paper did not identify specific reasons for the growing prices, though it made several observations:

- While newer brand-name drugs generally are more expensive and their costs may be related to research and development as well as getting regulatory approval, many of the drugs on the list with the biggest price increases have been on the market for 10 years or more.

- Prescription drugs just cost more in the U.S. than in other countries where they can be purchased for a fraction of the price.

- Drugmakers can get extensions on their patents, allowing them to keep out generic competitors.

- Medicare cannot legally negotiate lower [drug prices](#), unlike governments in other countries.

- Mergers in the [pharmaceutical industry](#) have allowed some companies to corner the market on products.

Indeed, several of the products on the list are marketed by Valeant Pharmaceuticals, a Canadian-based company that is known for buying the rights to drugs and raising their prices.

Last year, the U.S. Federal Trade Commission put restrictions on Valeant's \$475 million proposed acquisition of Precision Dermatology to settle charges that it would be anticompetitive for the topical acne market.

Valeant's acne drug, Retin-A Micro, rose 413 percent. Another Valeant

product, Targretin gel, is used to treat a type of cancer in the skin known as cutaneous T-cell lymphoma (CTLC). It was the most expensive drug on the list, rising in price from \$1,687 in 2009 to \$30,320 this year.

Last month, the company revealed that it had received subpoenas from U.S. prosecutors.

The company said the investigation relates "our patient assistance programs, and also includes requests relating to financial support provided by the company for patients, distribution of the company's products, information provided to the Centers for Medicare and Medicaid Services, and pricing decisions."

The company also has members of Congress inquiring about increases in prices for two of its heart drugs.

Spokesmen for Valeant did not return emails.

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