

Hospitals charge 479 percent of cost of drugs on average

September 20 2018



(HealthDay)—On average, hospitals mark up drugs by 479 percent of

their cost, according to a report from The Moran Company, commissioned by the Pharmaceutical Research and Manufacturers of America (PhRMA).

Researchers from The Moran Company examined [hospital](#) markups for separately paid drugs using data from the Healthcare Provider Cost Reporting Information System. Hospitals with a full year of cost report data were included from 49 states and the District of Columbia.

According to the report, hospitals charge 479 percent of their cost for drugs nationwide on average. Eighty-three percent of hospitals charge patients and insurers more than double their acquisition cost for medicine, marking up medicines 200 percent or more. Fifty-three percent of hospitals mark up medicines by an average of 200 to 400 percent. Seventeen percent of hospitals charged seven times the price of medications, so that a medication costing \$150 would have a charge of \$1,050; 8 percent had an average markup of more than 1,000 percent.

"Hospitals receive billions of dollars every year in negotiated and mandatory discounts from biopharmaceutical companies while simultaneously increasing the price of these medicines to insurers and patients," Stephen J. Ubl, president and [chief executive officer](#) of PhRMA, said in a statement. "In order to make medicines more affordable for patients, we must address the role hospital markups play in driving up [medicine costs](#)."

More information: [More Information](#)

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Citation: Hospitals charge 479 percent of cost of drugs on average (2018, September 20) retrieved 24 June 2024 from <https://medicalxpress.com/news/2018-09-hospitals-percent-drugs->

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