

Drugmakers to disclose prices for medicines advertised on TV

15 October 2018, by Linda A. Johnson



In this July 10, 2018, file photo bottles of medicine ride on a belt at the Express Scripts mail-in pharmacy warehouse in Florence, N.J. On Monday, Oct. 15, the industry's largest trade group announced that dozens of drugmakers will start disclosing the prices for U.S. prescription drugs advertised on TV. The prices won't actually be shown in the TV commercials but the advertisement will include a website where the list price will be posted. (AP Photo/Julio Cortez, File)

Drugmakers will start disclosing the prices for U.S. prescription drugs that are advertised on TV, but the Trump administration said the move announced Monday doesn't go far enough.

The [prices](#) won't actually be shown in the TV commercials. But starting next April, advertisements mentioning a drug by name will include a website where the list price and other information will be posted, the industry's largest trade group said.

The announcement came hours before a speech by Health and Human Services Secretary Alex Azar on a new administration proposal to require prices in the ads. Azar responded that the industry's announcement is a "small step in the

right direction" but the government's plan "will go further."

Most Americans don't pay the full price for prescriptions—one reason drugmakers have opposed disclosing the list prices they set, arguing that would just confuse the public. Direct-to-consumer advertising has been allowed in the U.S. for the past two decades. The ads are required to list side effects but not prices.

The trade group Pharmaceutical Research and Manufacturers of America, known as PhRMA, said its 33 member companies agreed to include a link in commercials to their websites that will give the list price of brand-name drugs, the range of likely out-of-pocket costs and any available financial assistance. The group also plans its own website, where patients could look up drugs by name and find similar information.

Its members include many of the world's biggest drugmakers, including Pfizer, the maker of the heavily advertised nerve pain drug Lyrica, and AbbVie, which sells the drug Humira for immune system disorders like rheumatoid arthritis.

President Trump has long promised to bring down drug prices, and in May, his administration released a "blueprint" with vague proposals for doing so. One thrust is to give consumers more information about drug prices, and Azar was to detail a proposed new regulation that ads include [drug](#) list prices.

Drugmakers generally can charge as much as the U.S. market will bear because the government doesn't regulate medicine prices, unlike most other developed countries.

List prices have long been closely guarded, and prescription medicines increasingly come with hefty price tags. For example, the monthly list price for Humira injections is \$4,872, while Lyrica capsules

have a monthly list price of \$669. Both those prices are nearly double what they were in 2014.

Those list prices are the starting point for drugmakers' negotiations with middlemen, such as insurance companies and prescription benefit managers. While most patients don't pay the full price, insurance plans base their copayments on the list price. Patients with high deductibles or no insurance usually pay list prices, though, and many aren't poor enough to qualify for financial assistance from drugmakers.

PhRMA CEO Stephen J. Uhl and others in the trade group said they believe requiring list prices in ads would violate the companies' First Amendment free speech rights, so it's possible the industry could sue to block such a requirement. Any new rule would take a while to play out, as such proposals first must go through a lengthy period of public comment and revisions.

Patients for Affordable Drugs, an advocacy group funded by foundations, called PhRMA's move "a transparent attempt to pre-empt full disclosure of list prices in ads."

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APA citation: Drugmakers to disclose prices for medicines advertised on TV (2018, October 15) retrieved 19 January 2022 from <https://medicalxpress.com/news/2018-10-drugmakers-disclose-prices-medicines-advertised.html>

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