
Getting the Best Price:

*Lessons Learned
from the
Medicare Discount
Card Program*

A REPORT BY
Families USA

September 2005

**Getting the Best Price: Lessons Learned from the
Medicare Discount Card Program**

Families USA Publication No. 05-105
© 2005 by Families USA Foundation

Families USA

1201 New York Avenue NW, Suite 1100
Washington, DC 20005
Phone: 202-628-3030
Fax: 202-347-2417
E-mail: info@familiesusa.org

This publication is available online at www.familiesusa.org.

INTRODUCTION

The 2003 Medicare Modernization Act (MMA) created a Medicare prescription drug program that is being implemented in two phases. The first phase, a temporary discount card program, began in June 2004 and ends in January 2006 when the second phase, the drug benefit, begins. For both the discount card program and the drug benefit, the MMA bars the government from negotiating directly with drug companies to obtain discounts on prices. Instead, contending that the lowest prices would be achieved by unleashing the forces of competition, congressional architects of the MMA created a program in which private companies would negotiate directly with drug companies to obtain discounts.

The degree to which these private companies can effectively negotiate discounts—and pass those discounts on to consumers—will affect how affordable the drug benefit is for those in Medicare, most of whom will still have to pay a significant portion of their drug costs. It will also affect how much the drug benefit costs the Medicare program itself.

Now, with the conclusion of the discount card program approaching, Families USA examined how well that program did in negotiating lower drug prices for seniors and others in Medicare. We found that, for the 50 drugs most frequently prescribed to seniors, the lowest Medicare discount card price was almost always considerably *higher* than the lowest price negotiated by one large government purchaser, the Department of Veterans Affairs (VA). The median difference between the lowest Medicare discount card price and the best price available from the VA was 58.2 percent. This means that, for half of the top 50 drugs prescribed to seniors, the purchase price with a discount card was *at least* 58.2 percent higher than for those same drugs purchased through the VA.

METHODOLOGY

To evaluate how well private plans did in giving seniors low drug prices through Medicare's temporary discount card, Families USA compared discount card prices for the 50 drugs most frequently used by seniors with the prices the VA negotiates for those same drugs.¹ This comparison provides insight into how company-by-company price negotiations compare with prices obtainable through the negotiations of a large government payer. This also provides a useful point of reference as the start of Medicare's drug benefit nears.

For the 50 drugs most frequently prescribed to seniors, Families USA collected the lowest price offered by any Medicare discount card vendor. These prices were compared to the lowest publicly reported prices available through the VA system. VA prices were drawn from the multiple price schedules the VA negotiates. We found that the lowest Medicare discount card prices were almost always higher—often substantially so—than the lowest prices negotiated by the VA. The median percent difference between the lowest price available through any discount card vendor and the lowest VA price was 58.2 percent (Table 1).²

FINDINGS

For the 50 drugs most frequently prescribed to seniors, VA prices were consistently lower than the lowest discount card price. The median price difference was \$220.44 for a year of treatment (Table 2).

VA Prices Significantly Lower

The VA price was lower than the lowest Medicare discount card price for 49 (98 percent) of the 50 most frequently prescribed drugs (Table 1).

- For more than one-third of the top drugs (19 drugs), the lowest Medicare discount card price was at least twice the lowest VA price.
- For more than one-fifth of the drugs (11 drugs), the lowest Medicare discount card price was more than three times the lowest VA price.
- For four drugs, the lowest Medicare discount card price was more than five times the lowest VA price.

Table 1
Percent Difference between Lowest VA Price and Lowest Medicare Discount Card Price for The 50 Drugs Most Frequently Prescribed to Seniors

| 2004 Rank by No. of Claims | Drug Name | Strength | Dose Form | Lowest Price/Year of Treatment | | % Difference (Medicare Discount Card Exceeding VA) | Medicare Discount Card Price as Multiple of VA Price |
|----------------------------|------------------------|-----------|-----------|---------------------------------|----------------------|--|--|
| | | | | Medicare-Approved Discount Card | VA Pricing Schedules | | |
| 1 | Plavix | 75 mg | tab | \$1,230.36 | \$887.16 | 38.7% | 1.4 |
| 2 | Lipitor | 10 mg | tab | \$730.56 | \$498.84 | 46.5% | 1.5 |
| 3 | Fosamax | 70 mg | tab | \$650.52 | \$493.32 | 31.9% | 1.3 |
| 4 | Norvasc | 5 mg | tab | \$467.04 | \$301.68 | 54.8% | 1.5 |
| 5 | Protonix | 40 mg | tab | \$827.40 | \$253.32 | 226.6% | 3.3 |
| 6 | Celebrex | 200 mg | cap | \$861.12 | \$602.40 | 42.9% | 1.4 |
| 7 | Zocor | 20 mg | tab | \$793.56 | \$167.76 | 373.0% | 4.7 |
| 8 | Nexium | 40 mg | cap | \$1,137.12 | \$968.32 | 17.4% | 1.2 |
| 9 | Lipitor | 20 mg | tab | \$1,059.96 | \$747.48 | 41.8% | 1.4 |
| 10 | Prevacid | 30 mg | cap DR | \$1,178.64 | \$850.20 | 38.6% | 1.4 |
| 11 | Norvasc | 10 mg | tab | \$640.92 | \$330.00 | 94.2% | 1.9 |
| 12 | Toprol XL | 50 mg | tab | \$192.48 | \$156.24 | 23.2% | 1.2 |
| 13 | furosemide | 40 mg | tab | \$20.40 | \$7.24 | 181.8% | 2.8 |
| 14 | Actonel | 35 mg | tab | \$641.40 | \$355.44 | 80.5% | 1.8 |
| 15 | Xalatan | 0.005 % | sol | \$550.20 | \$266.64 | 106.3% | 2.1 |
| 16 | Zocor | 40 mg | tab | \$993.72 | \$251.64 | 294.9% | 3.9 |
| 17 | metoprolol tartrate | 50 mg | tab | \$14.16 | \$6.48 | 118.5% | 2.2 |
| 18 | Aricept | 10 mg | tab | \$1,453.92 | \$1,056.84 | 37.6% | 1.4 |
| 19 | Zoloft | 50 mg | tab | \$782.16 | \$445.08 | 75.7% | 1.8 |
| 20 | Toprol XL | 100 mg | tab | \$273.48 | \$238.82 | 14.5% | 1.1 |
| 21 | Klor-Con M 20 | 20 meq | tab ER | \$85.44 | \$41.76 | 104.6% | 2.0 |
| 22 | Evista | 60 mg | tab | \$769.32 | \$567.84 | 35.5% | 1.4 |
| 23 | Digitek | 0.125 mg | tab | \$34.20 | \$46.76 | -26.9% | 0.7 |
| 24 | Combivent | 14.7 gm | aerosol | \$600.84 | \$309.60 | 94.1% | 1.9 |
| 25 | isosorbide mononitrate | 30 mg | tab ER | \$115.20 | \$14.16 | 713.6% | 8.1 |
| 26 | Detrol LA | 4 mg | cap | \$935.40 | \$500.28 | 87.0% | 1.9 |
| 27 | Zetia | 10 mg | tab | \$767.04 | \$515.16 | 48.9% | 1.5 |
| 28 | atenolol | 50 mg | tab | \$16.80 | \$3.96 | 324.2% | 4.2 |
| 29 | Diovan | 80 mg | tab | \$477.48 | \$97.20 | 391.2% | 4.9 |
| 30 | hydrochlorothiazide | 25 mg | tab | \$10.80 | \$3.12 | 246.2% | 3.5 |
| 31 | Cozaar | 50 mg | tab | \$426.36 | \$90.84 | 369.4% | 4.7 |
| 32 | Lipitor | 40 mg | tab | \$1,059.96 | \$791.64 | 33.9% | 1.3 |
| 33 | Lexapro | 10 mg | tab | \$689.64 | \$493.92 | 39.6% | 1.4 |
| 34 | Toprol XL | 25 mg | tab | \$182.28 | \$157.90 | 15.4% | 1.2 |
| 35 | isosorbide mononitrate | 60 mg | tab ER | \$35.04 | \$13.80 | 153.9% | 2.5 |
| 36 | Klor-Con M 10 | 10 meq | tab ER | \$47.64 | \$39.48 | 20.7% | 1.2 |
| 37 | Pravachol | 40 mg | tab | \$1,240.44 | \$470.40 | 163.7% | 2.6 |
| 38 | atenolol | 25 mg | tab | \$21.00 | \$3.96 | 430.3% | 5.3 |
| 39 | Flomax | 0.4 mg | cap | \$571.92 | \$379.92 | 50.5% | 1.5 |
| 40 | Diovan | 160 mg | tab | \$513.36 | \$97.20 | 428.1% | 5.3 |
| 41 | Synthroid | 50 mcg | tab | \$40.20 | \$32.40 | 24.1% | 1.2 |
| 42 | Zocor | 10 mg | tab | \$618.60 | \$99.00 | 524.8% | 6.2 |
| 43 | Singulair | 10 mg | tab | \$826.68 | \$617.52 | 33.9% | 1.3 |
| 44 | Synthroid | 100 mcg | tab | \$52.08 | \$32.40 | 60.7% | 1.6 |
| 45 | furosemide | 20 mg | tab | \$9.60 | \$4.27 | 124.8% | 2.2 |
| 46 | Alphagan P | 0.15% sol | 5 ml | \$388.20 | \$264.84 | 46.6% | 1.5 |
| 47 | Aciphex | 20 mg | tab | \$1,212.96 | \$834.24 | 45.4% | 1.5 |
| 48 | warfarin sodium | 5 mg | tab | \$100.80 | \$43.20 | 133.3% | 2.3 |
| 49 | Ambien | 10 mg | tab | \$878.88 | \$564.48 | 55.7% | 1.6 |
| 50 | Miacalcin | 200 iu/Ac | spray | \$879.96 | \$641.88 | 37.1% | 1.4 |
| AVERAGE | | | | \$562.14 | \$333.16 | | |
| MEDIAN DIFFERENCE | | | | | | 58.2% | 1.6 |

See Table Notes on page 5.

Table 2

Price Difference between Lowest VA Price and Lowest Medicare Discount Card Price

| 2004 Rank by No. of Claims | Drug Name | Strength | Dose Form | Lowest Price/Year of Treatment | | Price Difference (Medicare Discount Card Exceeding VA) |
|----------------------------------|------------------------|-----------|--------------|--|-------------------------|---|
| | | | | Medicare- Approved Discount Card | VA Pricing Schedules | |
| 1 | Plavix | 75 mg | tab | \$1,230.36 | \$887.16 | \$343.20 |
| 2 | Lipitor | 10 mg | tab | \$730.56 | \$498.84 | \$231.72 |
| 3 | Fosamax | 70 mg | tab | \$650.52 | \$493.32 | \$157.20 |
| 4 | Norvasc | 5 mg | tab | \$467.04 | \$301.68 | \$165.36 |
| 5 | Protonix | 40 mg | tab | \$827.40 | \$253.32 | \$574.08 |
| 6 | Celebrex | 200 mg | cap | \$861.12 | \$602.40 | \$258.72 |
| 7 | Zocor | 20 mg | tab | \$793.56 | \$167.76 | \$625.80 |
| 8 | Nexium | 40 mg | cap | \$1,137.12 | \$968.32 | \$168.80 |
| 9 | Lipitor | 20 mg | tab | \$1,059.96 | \$747.48 | \$312.48 |
| 10 | Prevacid | 30 mg | cap DR | \$1,178.64 | \$850.20 | \$328.44 |
| 11 | Norvasc | 10 mg | tab | \$640.92 | \$330.00 | \$310.92 |
| 12 | Toprol XL | 50 mg | tab | \$192.48 | \$156.24 | \$36.24 |
| 13 | furosemide | 40 mg | tab | \$20.40 | \$7.24 | \$13.16 |
| 14 | Actonel | 35 mg | tab | \$641.40 | \$355.44 | \$285.96 |
| 15 | Xalatan | 0.005 % | sol | \$550.20 | \$266.64 | \$283.56 |
| 16 | Zocor | 40 mg | tab | \$993.72 | \$251.64 | \$742.08 |
| 17 | metoprolol tartrate | 50 mg | tab | \$14.16 | \$6.48 | \$7.68 |
| 18 | Aricept | 10 mg | tab | \$1,453.92 | \$1,056.84 | \$397.08 |
| 19 | Zolof | 50 mg | tab | \$782.16 | \$445.08 | \$337.08 |
| 20 | Toprol XL | 100 mg | tab | \$273.48 | \$238.82 | \$34.66 |
| 21 | Klor-Con M 20 | 20 meq | tab ER | \$85.44 | \$41.76 | \$43.68 |
| 22 | Evista | 60 mg | tab | \$769.32 | \$567.84 | \$201.48 |
| 23 | Digitek | 0.125 mg | tab | \$34.20 | \$46.76 | -\$12.56 |
| 24 | Combivent | 14.7 gm | aerosol | \$600.84 | \$309.60 | \$291.24 |
| 25 | isosorbide mononitrate | 30 mg | tab ER | \$115.20 | \$14.16 | \$101.04 |
| 26 | Detrol LA | 4 mg | cap | \$935.40 | \$500.28 | \$435.12 |
| 27 | Zetia | 10 mg | tab | \$767.04 | \$515.16 | \$251.88 |
| 28 | atenolol | 50 mg | tab | \$16.80 | \$3.96 | \$12.84 |
| 29 | Diovan | 80 mg | tab | \$477.48 | \$97.20 | \$380.28 |
| 30 | Hydrochlorothiazide | 25 mg | tab | \$10.80 | \$3.12 | \$7.68 |
| 31 | Cozaar | 50 mg | tab | \$426.36 | \$90.84 | \$335.52 |
| 32 | Lipitor | 40 mg | tab | \$1,059.96 | \$791.64 | \$268.32 |
| 33 | Lexapro | 10 mg | tab | \$689.64 | \$493.92 | \$195.72 |
| 34 | Toprol XL | 25 mg | tab | \$182.28 | \$157.90 | \$24.38 |
| 35 | Isosorbide mononitrate | 60 mg | tab ER | \$35.04 | \$13.80 | \$21.24 |
| 36 | Klor-Con M 10 | 10 meq | tab ER | \$47.64 | \$39.48 | \$8.16 |
| 37 | Pravachol | 40 mg | tab | \$1,240.44 | \$470.40 | \$770.04 |
| 38 | atenolol | 25 mg | tab | \$21.00 | \$3.96 | \$17.04 |
| 39 | Flomax | 0.4 mg | cap | \$571.92 | \$379.92 | \$192.00 |
| 40 | Diovan | 160 mg | tab | \$513.36 | \$97.20 | \$416.16 |
| 41 | Synthroid | 50 mcg | tab | \$40.20 | \$32.40 | \$7.80 |
| 42 | Zocor | 10 mg | tab | \$618.60 | \$99.00 | \$519.60 |
| 43 | Singulair | 10 mg | tab | \$826.68 | \$617.52 | \$209.16 |
| 44 | Synthroid | 100 mcg | tab | \$52.08 | \$32.40 | \$19.68 |
| 45 | furosemide | 20 mg | tab | \$9.60 | \$4.27 | \$5.33 |
| 46 | Alphagan P (5 ml) | 0.15 % | sol | \$388.20 | \$264.84 | \$123.36 |
| 47 | Aciphex | 20 mg | tab | \$1,212.96 | \$834.24 | \$378.72 |
| 48 | warfarin sodium | 5 mg | tab | \$100.80 | \$43.20 | \$57.60 |
| 49 | Ambien | 10 mg | tab | \$878.88 | \$564.48 | \$314.40 |
| 50 | Miacalcin | 200 iu/Ac | spray | \$879.96 | \$641.88 | \$238.08 |
| AVERAGE | | | | \$562.14 | \$333.16 | |
| MEDIAN DIFFERENCE | | | | | | \$220.44 |

See Table Notes on page 5.

Table Notes

Drug names that are capitalized are brand names. The drugs that are not capitalized are generic.

The following are abbreviations used in the tables and the explanations of each:

| | |
|--------|--|
| mg | milligram, which is 1/1,000th of a gram |
| mcg | microgram, which is 1/1-millionth of a gram |
| meq | milliequivalent, an alternate form of measurement |
| IU/ac | International Units (a measurement of biological activity) per actuation (spray) |
| sol | solution |
| tab | tablet |
| tab ER | extended release tablet |
| cap | capsule |
| cap DR | delayed release capsule |

The list of drugs is based on the 50 drugs with the highest claims volume in Pennsylvania's PACE program in 2004. Vioxx was among the most frequently prescribed drugs in 2004, but it does not appear on this list because Merck withdrew the product from the market.

Several generic drugs appeared multiple times in the PACE top 50 list with each listing for a different manufacturer. Manufacturer information is not available for generics through the Medicare discount card comparison Web site. Therefore, the generics that appeared multiple times are ranked based on their first listing based on PACE program claims volume.

Discount card prices are from www.medicare.gov, July 2005, for the Cincinnati area zip code 45206.

VA Prices are from the Department of Veterans Affairs Web site at <http://www.vapbm.org/pbm/prices.htm>, from the publicly available list of National Contract Prices for the VA, and from VA staff.

Significant Price Differences

Not only were VA prices consistently lower, but the differences between VA prices and Medicare discount card prices were often significant. The median price difference was \$220.44 for a year's treatment (Table 2).

- For the 10 highest-cost drugs³—all drugs for which the lowest annual Medicare discount card cost was more than \$900—the median price difference between the discount card and the VA was \$360.96 (Table 3).
- For eight of the highest-cost drugs, the discount card prices were more than \$300 higher than the VA price. For two of those drugs, the Medicare discount card prices were more than \$700 higher than the VA price (Table 3).
- For the 10 most frequently prescribed drugs, the median price difference between the discount card and the VA was \$285.60 (Table 4).

VA Prices Lower for Both Brand-Name and Generic Drugs

The VA prices were consistently lower for both brand-name and generic drugs.

- Forty-one of the top 50 drugs were brand-name drugs. For 40 of those drugs, the lowest Medicare discount card prices exceeded the lowest VA price. For the 41 brand-name drugs, the median difference between the lowest discount card price and the lowest VA price was 46.6 percent (Table 5).
- Nine of the top 50 drugs were generics. For all of those drugs, the lowest Medicare discount card price exceeded the lowest VA price. The median difference between the lowest discount card price and the lowest VA price was 181.8 percent (Table 6).

Table 3

Price Difference between Lowest VA Price and Lowest Medicare Discount Card Price for the 10 Highest-Cost Drugs in this Study (based on Medicare discount card price)

| 2004 Rank by No. of Claims | Drug Name | Strength | Dose Form | Lowest Price/Year of Treatment | | Price Difference (Medicare Discount Card Exceeding VA) | % Difference (Medicare Discount Card Exceeding VA) |
|----------------------------|-----------|----------|-----------|---------------------------------|----------------------|--|--|
| | | | | Medicare-Approved Discount Card | VA Pricing Schedules | | |
| 1 | Plavix | 75 mg | tab | \$1,230.36 | \$887.16 | \$343.20 | 38.7% |
| 8 | Nexium | 40 mg | cap | \$1,137.12 | \$968.32 | \$168.80 | 17.4% |
| 9 | Lipitor | 20 mg | tab | \$1,059.96 | \$747.48 | \$312.48 | 41.8% |
| 10 | Prevacid | 30 mg | cap DR | \$1,178.64 | \$850.20 | \$328.44 | 38.6% |
| 16 | Zocor | 40 mg | tab | \$993.72 | \$251.64 | \$742.08 | 294.9% |
| 18 | Aricept | 10 mg | tab | \$1,453.92 | \$1,056.84 | \$397.08 | 37.6% |
| 26 | Detrol LA | 4 mg | cap | \$935.40 | \$500.28 | \$435.12 | 87.0% |
| 32 | Lipitor | 40 mg | tab | \$1,059.96 | \$791.64 | \$268.32 | 33.9% |
| 37 | Pravachol | 40 mg | tab | \$1,240.44 | \$470.40 | \$770.04 | 163.7% |
| 47 | Aciphex | 20 mg | tab | \$1,212.96 | \$834.24 | \$378.72 | 45.4% |
| AVERAGE | | | | \$1,150.25 | \$735.82 | | |
| MEDIAN DIFFERENCE | | | | | | \$360.96 | 40.2% |

These drugs are the 10 from the list of the top 50 drugs for which the lowest Medicare discount card annual cost of treatment was \$900 or greater.

The list of 50 drugs is based on the 50 drugs with the highest claims volume in the Pennsylvania PACE Program in 2004, excluding Vioxx, which was withdrawn from the market.

Discount card prices are from www.medicare.gov, July 2005, for the Cincinnati area zip code 45206.

VA Prices are from the Department of Veterans Affairs Web site at http://www.vapbm.org/pbm/prices.htm, from the publicly available list of National Contract Prices for the VA, and from VA staff.

Table 4

Price Difference, Lowest Medicare Discount Card Price, and Lowest VA Price for the 10 Drugs Most Frequently Prescribed to Seniors

| 2004 Rank by No. of Claims | Drug Name | Strength | Dose Form | Lowest Price/Year of Treatment | | Price Difference (Medicare Discount Card Exceeding VA) |
|----------------------------|-----------|----------|-----------|---------------------------------|----------------------|--|
| | | | | Medicare-Approved Discount Card | VA Pricing Schedules | |
| 1 | Plavix | 75 mg | tab | \$ 1,230.36 | \$ 887.16 | \$ 343.20 |
| 2 | Lipitor | 10 mg | tab | \$ 730.56 | \$ 498.84 | \$ 231.72 |
| 3 | Fosamax | 70 mg | tab | \$ 650.52 | \$ 493.32 | \$ 157.20 |
| 4 | Norvasc | 5 mg | tab | \$ 467.04 | \$ 301.68 | \$ 165.36 |
| 5 | Protonix | 40 mg | tab | \$ 827.40 | \$ 253.32 | \$ 574.08 |
| 6 | Celebrex | 200 mg | cap | \$ 861.12 | \$ 602.40 | \$ 258.72 |
| 7 | Zocor | 20 mg | tab | \$ 793.56 | \$ 167.76 | \$ 625.80 |
| 8 | Nexium | 40 mg | cap | \$ 1,137.12 | \$ 968.32 | \$ 168.80 |
| 9 | Lipitor | 20 mg | tab | \$ 1,059.96 | \$ 747.48 | \$ 312.48 |
| 10 | Prevacid | 30 mg | cap DR | \$ 1,178.64 | \$ 850.20 | \$ 328.44 |
| AVERAGE | | | | \$ 893.63 | \$ 577.05 | |
| MEDIAN DIFFERENCE | | | | | | \$ 285.60 |

The list of drugs is based on the 50 drugs with the highest claims volume in the Pennsylvania PACE Program in 2004.

Discount card prices are from www.medicare.gov, July 2005, for the Cincinnati area zip code 45206.

VA Prices are from the Department of Veterans Affairs Web site at http://www.vapbm.org/pbm/prices.htm, from the publicly available list of National Contract Prices for the VA, and from VA staff.

Table 5

Price Difference between Lowest VA Price and Lowest Medicare Discount Card Price for Brand-Name Drugs Most Frequently Prescribed to Seniors

| 2004 Rank by No. of Claims | Drug Name | Strength | Dose Form | Lowest Price/Year of Treatment | | % Difference (Medicare Discount Card Exceeding VA) |
|----------------------------------|------------------|-----------|--------------|--|-------------------------|---|
| | | | | Medicare- Approved Discount Card | VA Pricing Schedules | |
| 1 | Plavix | 75 mg | tab | \$1,230.36 | \$887.16 | 38.7% |
| 2 | Lipitor | 10 mg | tab | \$730.56 | \$498.84 | 46.5% |
| 3 | Fosamax | 70 mg | tab | \$650.52 | \$493.32 | 31.9% |
| 4 | Norvasc | 5 mg | tab | \$467.04 | \$301.68 | 54.8% |
| 5 | Protonix | 40 mg | tab | \$827.40 | \$253.32 | 226.6% |
| 6 | Celebrex | 200 mg | cap | \$861.12 | \$602.40 | 42.9% |
| 7 | Zocor | 20 mg | tab | \$793.56 | \$167.76 | 373.0% |
| 8 | Nexium | 40 mg | cap | \$1,137.12 | \$968.32 | 17.4% |
| 9 | Lipitor | 20 mg | tab | \$1,059.96 | \$747.48 | 41.8% |
| 10 | Prevacid | 30 mg | cap DR | \$1,178.64 | \$850.20 | 38.6% |
| 11 | Norvasc | 10 mg | tab | \$640.92 | \$330.00 | 94.2% |
| 12 | Toprol XL | 50 mg | tab | \$192.48 | \$156.24 | 23.2% |
| 14 | Actonel | 35 mg | tab | \$641.40 | \$355.44 | 80.5% |
| 15 | Xalatan | 0.005 % | sol | \$550.20 | \$266.64 | 106.3% |
| 16 | Zocor | 40 mg | tab | \$993.72 | \$251.64 | 294.9% |
| 18 | Aricept | 10 mg | tab | \$1,453.92 | \$1,056.84 | 37.6% |
| 19 | Zoloft | 50 mg | tab | \$782.16 | \$445.08 | 75.7% |
| 20 | Toprol XL | 100 mg | tab | \$273.48 | \$238.82 | 14.5% |
| 21 | Klor-Con M 20 | 20 meq | tab ER | \$85.44 | \$41.76 | 104.6% |
| 22 | Evista | 60 mg | tab | \$769.32 | \$567.84 | 35.5% |
| 23 | Digitek | 0.125 mg | tab | \$34.20 | \$46.76 | -26.9% |
| 24 | Combivent | 14.7 gm | aerosol | \$600.84 | \$309.60 | 94.1% |
| 26 | Detrol LA | 4 mg | cap | \$935.40 | \$500.28 | 87.0% |
| 27 | Zetia | 10 mg | tab | \$767.04 | \$515.16 | 48.9% |
| 29 | Diovan | 80 mg | tab | \$477.48 | \$97.20 | 391.2% |
| 31 | Cozaar | 50 mg | tab | \$426.36 | \$90.84 | 369.4% |
| 32 | Lipitor | 40 mg | tab | \$1,059.96 | \$791.64 | 33.9% |
| 33 | Lexapro | 10 mg | tab | \$689.64 | \$493.92 | 39.6% |
| 34 | Toprol XL | 25 mg | tab | \$182.28 | \$157.90 | 15.4% |
| 36 | Klor-Con M 10 ER | 10 meq | tab ER | \$47.64 | \$39.48 | 20.7% |
| 37 | Pravachol | 40 mg | tab | \$1,240.44 | \$470.40 | 163.7% |
| 39 | Flomax | 0.4 mg | cap | \$571.92 | \$379.92 | 50.5% |
| 40 | Diovan | 160 mg | tab | \$513.36 | \$97.20 | 428.1% |
| 41 | Synthroid | 50 mcg | tab | \$40.20 | \$32.40 | 24.1% |
| 42 | Zocor | 10 mg | tab | \$618.60 | \$99.00 | 524.8% |
| 43 | Singulair | 10 mg | tab | \$826.68 | \$617.52 | 33.9% |
| 44 | Synthroid | 100 mcg | tab | \$52.08 | \$32.40 | 60.7% |
| 46 | Alphagan P | 0.15% sol | 5 ml | \$388.20 | \$264.84 | 46.6% |
| 47 | Aciphex | 20 mg | tab | \$1,212.96 | \$834.24 | 45.4% |
| 49 | Ambien | 10 mg | tab | \$878.88 | \$564.48 | 55.7% |
| 50 | Miacalcin | 200 iu/AC | spray | \$879.96 | \$641.88 | 37.1% |
| AVERAGE | | | | \$677.16 | \$403.85 | |
| MEDIAN DIFFERENCE | | | | | | 46.6% |

See Table Notes on page 5.

Table 6

Price Difference between Lowest VA Price and Lowest Medicare Discount Card Price for Generic Drugs Most Frequently Prescribed to Seniors

| 2004 Rank by No. of Claims | Drug Name | Strength | Dose Form | Lowest Price/Year of Treatment | | % Difference (Medicare Discount Card Exceeding VA) |
|----------------------------|------------------------|----------|-----------|---------------------------------|----------------------|--|
| | | | | Medicare-Approved Discount Card | VA Pricing Schedules | |
| 13 | furosemide | 40 mg | tab | \$20.40 | \$7.24 | 181.8% |
| 17 | metoprolol tartrate | 50 mg | tab | \$14.16 | \$6.48 | 118.5% |
| 25 | isosorbide mononitrate | 30 mg | tab ER | \$115.20 | \$14.16 | 713.6% |
| 28 | atenolol | 50 mg | tab | \$16.80 | \$3.96 | 324.2% |
| 30 | hydrochlorothiazide | 25 mg | tab | \$10.80 | \$3.12 | 246.2% |
| 35 | isosorbide mononitrate | 60 mg | tab ER | \$35.04 | \$13.80 | 153.9% |
| 38 | atenolol | 25 mg | tab | \$21.00 | \$3.96 | 430.3% |
| 45 | furosemide | 20 mg | tab | \$9.60 | \$4.27 | 124.8% |
| 48 | warfarin sodium | 5 mg | tab | \$100.80 | \$43.20 | 133.3% |
| AVERAGE | | | | \$38.20 | \$11.13 | |
| MEDIAN DIFFERENCE | | | | | | 181.8% |

See Table Notes on page 5.

DISCUSSION

The Medicare discount card program has served as the first test of whether competing private companies can offer those in Medicare lower drug prices than the government could if it were allowed to leverage the purchasing power of over 41 million Medicare beneficiaries to negotiate with drug companies. On this first test, the promise of savings delivered by private plans fell far short.

How the Discount Card Fell Short for Seniors

The Medicare-approved discount card fell short for seniors on two fronts.

- First, as noted in the Findings, private vendors participating in the discount card program consistently offered seniors and others in Medicare prices that were higher than the prices the government negotiated through the VA.
- Second, significant variations in drug prices between different discount cards made it hard for seniors to ensure that they got the lowest price the cards offered on all of the drugs they take.

■ Falling Short on Drug Prices

As outlined in the Findings, the lowest price available to seniors using a Medicare-approved discount card was consistently higher than the lowest price the government negotiated through the VA. In spite of intense competition among myriad discount card vendors, seniors and other enrollees were unable to obtain the same low drug prices as the VA, which negotiates on behalf of the 5 million individuals the program serves annually.

For someone in Medicare, evaluating how well a card company does at negotiating drug prices is more than an academic exercise: When a

discount card company negotiates drug prices that are higher than VA prices, it means that enrollees could pay thousands of dollars more out of their own pockets every year. As an example, the chart above compares the lowest Medicare discount card price for four commonly used drugs with the lowest VA price. A senior in Medicare, even one savvy enough to have chosen the best discount card, would thus end up paying at least \$1,400 more a year for this combination of medications purchased with a discount card compared to the prices the government has negotiated through the VA.

| Drug | | Lowest Medicare Discount Card Price | Lowest VA Price |
|--------------|-------|-------------------------------------|--------------------|
| Fosamax | 70 mg | \$ 650.52 | \$ 493.32 |
| Zocor | 20 mg | \$ 793.56 | \$ 167.76 |
| Plavix | 75 mg | \$ 1,230.36 | \$ 887.16 |
| Zoloft | 50 mg | \$ 782.16 | \$ 445.08 |
| Total | | \$ 3,456.60 | \$ 1,993.32 |

■ Significant Price Variations

Problems with the discount cards go beyond the failure to offer prices as low as the VA. For this report, we compared the lowest available Medicare discount card price, regardless of card vendor, to the lowest VA price. It is important to note, however, that those elderly and other beneficiaries who use a Medicare-approved discount card are not always able to take advantage of the lowest card price for *all* of their drug purchases. That's because, while people with Medicare can only enroll in one card at a time, prices for any given drug can vary substantially from card to card. The card that offers the best price on one drug may not offer the best price on another. Because

of this price variation, many beneficiaries are unable to obtain the lowest discount card price for all of their medications, and a poor card selection could have a substantial impact on a beneficiary’s wallet. (See Appendix Table 2 on page 22 for the range of drug prices for several Medicare-approved discount cards.)

The example below shows how someone in Medicare who takes four frequently prescribed medications might fare with two different discount cards. We also compare those prices to the lowest prices available through the VA. For Discount Card A, the individual enrolled in the card that offered the lowest price on the most expensive of the four drugs—Plavix. For Discount Card B, the individual signed up for a card offered by a nationally known vendor.

| Drug | Medicare Discount Card A | Medicare Discount Card B | Lowest VA Price |
|--------------------------|--------------------------|--------------------------|--------------------|
| Fosamax 70 mg | \$ 675.00 | \$ 733.92 | \$ 493.32 |
| Zocor 20 mg | \$ 793.56 | \$ 898.60 | \$ 167.76 |
| Plavix 75 mg | \$ 1,230.36 | \$ 1,387.00 | \$ 887.16 |
| Zoloft 50 mg | \$ 812.4 | \$ 860.88 | \$ 445.08 |
| Total Annual Cost | \$ 3,511.32 | \$ 3,880.40 | \$ 1,993.32 |

Source: Medicare discount card prices are from www.medicare.gov. Card A shows the mail order prices reported for Envision Rx Plus. Card B shows the mail order prices for the AARP-sponsored card. Retail (pharmacy purchase) prices for both cards are significantly higher. Prices were collected in July 2005. The VA prices show the lowest publicly available price negotiated by the VA. Sources are the U.S. Department of Veterans Affairs Pharmacy Benefits Management Group (www.vapbm.org) and national contract lists provided by the VA.

Not only are the Medicare discount card prices higher than VA prices in all cases, but the individual’s annual costs vary significantly depending on the card selected. This same sort of variance may occur with the Medicare drug benefit. With the drug benefit, each plan will individually negotiate prices with drug companies, so prices for the same drug might vary from plan to plan. And, as with the discount card, most Medicare beneficiaries will be locked into a plan for a year and unable to switch if they suddenly need a drug that their plan does not offer at a good price.

Drug Prices Will Matter

After the drug benefit begins, drug prices will continue to make a great deal of difference in terms of what people in Medicare pay and will have a large effect on the overall cost of the drug benefit.

The drug benefit will defray some drug costs for those who enroll. However, under the basic Medicare benefit—the benefit for which most in Medicare will be eligible—after meeting an annual deductible, beneficiaries will pay a percentage of the cost of each drug that the plan covers (see Appendix B on page 23 for a description of the Medicare drug benefit). The plans will offer discount prices for the drugs they cover—prices that may be comparable to prices available through the discount card program. But, as with that program, each drug plan will negotiate with manufacturers individually, so prices for the same drug will vary from plan to plan. And because individuals will pay a percentage (the basic benefit is set at 25 percent) of the cost of each prescription, what the plans charge will matter a great deal in terms of out-of-pocket costs for those in Medicare.

Drug prices will be even more important for Medicare beneficiaries who have higher drug expenses. Once an individual's 2006 drug costs exceed \$2,250—less than the average drug costs for those in Medicare—drug plans will stop paying for drugs.⁴ Plan enrollees will have to pay their next \$2,850 in drug costs with their own funds. As long as they are purchasing drugs the plan covers, people with Medicare will still be able to get those drugs at the plan's discounted price. But, again, the plan's drug prices will determine how far beneficiaries' health care dollars go.

Drug prices will not only make a difference in what people with Medicare have to pay out-of-pocket, but they will also affect the overall cost of the benefit. The prescription drug plans—the private companies that offer the benefit—will have a portion of their monthly premiums subsidized by Medicare, and Medicare will provide additional financial protection if plans have higher than anticipated costs.⁵ Because drug prices are a major component of overall benefit costs, if plans are unable to negotiate low prices, these higher drug costs will be passed along to Medicare.

Will the Drug Plans Secure Better Prices than the Medicare Discount Cards?

The plans that provide the Medicare drug benefit may be able, through the use of formularies, to negotiate somewhat lower prices than the Medicare discount card vendors. It is widely assumed that these private plans will use restrictive formularies, meaning that they will limit the numbers and kinds of drugs they cover.⁶ By limiting the drugs they cover, plans can promise manufacturers greater volume and therefore can negotiate better discounts. As a result, for the drugs each plan covers, prices may well be somewhat lower than the prices offered by the Medicare discount card vendors.

In addition to the bargaining leverage it yields due to the large number of veterans and dependents served, the VA already uses a formulary and negotiates national contracts for the drugs on its formulary. For example, Zocor, a cholesterol-lowering drug, is on the VA formulary. For that drug, the lowest Medicare discount card price is over four-and-one-half times higher than the VA's lowest negotiated price.⁷

How well Medicare plans will do in negotiating lower drug prices remains to be seen. Medicare beneficiaries and the public should demand that the plans that use restrictive formularies offer drugs at prices comparable to the low prices the VA negotiates for its formulary drugs. But even if plans could negotiate prices comparable to VA prices, those prices would probably still be higher than they would be if Medicare were allowed to negotiate directly with manufacturers. The Department of Veterans Affairs has been able to negotiate excellent prices using the bargaining leverage of the 5 million veterans and dependents the program serves.⁸ Medicare, with over 41 million enrollees, could probably do even better.

CONCLUSION

The temporary Medicare drug discount card program was the first test of a premise that is the foundation of not only that program but the permanent drug benefit as well—the premise that private plans can do a better job of negotiating low drug prices for people with Medicare than the government could. Our comparison of discount card prices with prices negotiated by a large government purchaser, the VA, shows that, in the first test of that theory, the program failed.

In spite of the intense competition of more than 30 programs that vied to sign up seniors and others in Medicare, the discount cards routinely failed to offer drugs at prices as low as the VA. Shortly, we will know whether Medicare prescription drug plans will do a better job for America's seniors. We can hope, and should expect, that these plans will offer people in Medicare drugs at prices that are, at the least, as low as the lowest price negotiated by the VA. And we can hope that such prices will be offered not just at the outset of the program, but throughout its operation.

The best way to ensure that those in Medicare get the best deal possible would be to allow the government to negotiate directly with manufacturers. That can only happen if Congress changes current law. Barring that, all we can do is watch and hope that the disappointing performance of the Medicare-approved discount card is not repeated with the drug benefit.

Government Negotiating: Not Limited to the VA

The VA is not the only government entity that has successfully negotiated lower drug prices—there are several other countries where governments negotiate on behalf of all their citizens. As an example of this widely successful practice, the table below shows the prices that the government of Ontario, Canada pays for the five most frequently prescribed drugs compared to the lowest prices for the Medicare discount card. In all cases, the Canadian prices are significantly lower.

Comparison of Annual Cost of Treatment: Medicare Discount Card vs. Drug Prices Available in Ontario, Canada

| 2004 Rank by No. of Claims | Drug Name | Strength | Dose Form | Medicare-Approved Discount Card | Ontario, Canada (in U.S. dollars) |
|----------------------------|-----------|----------|-----------|---------------------------------|-----------------------------------|
| 1 | Plavix | 75 mg | tab | \$1,230.36 | \$699.60 |
| 2 | Lipitor | 10 mg | tab | \$730.56 | \$466.44 |
| 3 | Fosamax | 70 mg | tab | \$650.52 | \$343.92 |
| 4 | Norvasc | 5 mg | tab | \$467.04 | \$373.08 |
| 5 | Protonix | 40 mg | tab | \$827.40 | \$553.80 |

Prices are for the top five most frequently prescribed drugs for seniors based on the Pennsylvania PACE program, 2004.

Medicare-approved discount card prices are from www.medicare.gov, July 2005 and represent the lowest quoted price available through any discount card. Prices reflect treatment for an entire year.

Drug prices available in Ontario, Canada are based on prices from the Ontario Drug Benefit Formulary/Comparative Drug Index and represent the price that the government of Ontario will reimburse. The conversion rate used is Canada \$1.23 for U.S. \$1.00.

Will the drug benefit give those in Medicare access to such low drug prices? While we don't know yet, one executive from PhRMA, the drug industry lobby, has promised it will. At a hearing on the Medicare drug benefit on April 7, 2005, before the Maine Legislature's Joint Standing Committee on Health and Human Services, PhRMA's Director of State Policy was asked whether he thought drugs purchased with the Medicare discount card would be "as cheap as they are in Canada." He responded by saying, "Certainly a person who takes advantage of the [Medicare] program will in the majority of cases access prices that they could not get in another country."⁹

Medicare beneficiaries and the public should hold the drug plans and the drug industry to that statement.

ENDNOTES

¹ The list of the 50 drugs most frequently prescribed to seniors is based on the drugs most frequently prescribed in the Pennsylvania Pharmaceutical Assistance Contract for the Elderly (PACE) program. This program is the oldest and largest drug assistance program for seniors in the U.S., with nearly 200,000 enrollees. Frequency was determined based on PACE 2004 claims volume.

² Families USA compared the VA prices listed on multiple price schedules to the listed Medicare discount card prices available through retail or mail order. Dispensing fees were not added to the VA prices. However, a research letter published in the July 28 issue of the *Journal of the American Medical Association* that looked at a small sample of drugs found that VA prices, including the dispensing fee, were consistently lower than discount card prices. Hayes, J. et al., "Comparison of Drug Regimen Costs Between the Medicare Prescription Discount Program and Other Purchasing Systems," *Journal of the American Medical Association*, July 27, 2005, Vol. 294, No. 4., pp. 427-28.

³ Comparative cost was determined based on the lowest cost reported by Medicare discount card vendors.

⁴ The Congressional Budget Office estimates that average prescription drug spending for Medicare Part D participants (Medicare beneficiaries enrolled in the drug benefit) will be \$3,167 in 2006. Letter from Douglas Holtz-Eakin, Director of the Congressional Budget Office, to Senator Don Nickles, Chairman of the Committee on the Budget, November 20, 2003.

⁵ Plans will charge a bid amount to Medicare. Medicare will pay for 74.5 percent of the plan's risk-adjusted, standardized bid amount, and 25.5 percent will be paid by beneficiaries as monthly premiums. If a plan provides coverage beyond Medicare's basic drug benefit, the premium amount charged to beneficiaries may be higher. See Department of Health and Human Services, "Final Rule, Medicare Program; Medicare Prescription Drug Benefit, 42 CFR Parts 400, 403, 417, and 423," Rules regarding premiums, *Federal Register* Part II, section 423.286, January 28, 2005, p. 4546; Department of Health and Human Services, "Final Rule, Medicare Program; Medicare Prescription Drug Benefit, 42 CFR Parts 400, 403, 417, and 423," General payment provisions, *Federal Register* Part II, section 423.315, January 28, 2005, p. 4547.

⁶ The private plans that will be providing the Medicare drug benefit can have restrictive formularies, meaning that the plans can have lists of covered drugs and that plan reimbursement will cover only drugs on those lists. There are regulations that govern the structure of formularies, such as a requirement that plans cover at least two drugs in each therapeutic class. Plans will also have to have an appeals process so that individuals can petition to have medically necessary drugs covered even if they are not on the formulary. The VA also uses a formulary and negotiates its lowest prices for on-formulary drugs. See Department of Health and Human Services, "Final Rule, Medicare Program; Medicare Prescription Drug Benefit, 42 CFR Parts 400, 403, 417, and 423," Access to covered Part D drugs, *Federal Register* Part II, section 423.120, January 28, 2005, p. 4537; Department of Health and Human Services, "Final Rule, Medicare Program; Medicare Prescription Drug Benefit, 42 CFR Parts 400, 403, 417, and 423," Coverage determinations, *Federal Register* Part II, section 423.566, January 28, 2005, p. 4563; Department of Veterans Affairs, VA Directive 2001-2004, July 24, 2004, available online at <http://www.vapbm.org/directive/vhadirective.pdf>.

⁷ Department of Veterans Affairs, Pharmacy Benefit Management Strategic Health Group, "VA National Formulary, June 2005," available online at www.vapbm.org/PBM/natform.htm.

⁸ The VA is available to 24.6 million veterans, but only some of those veterans receive care through the system. In 2004, the system served 4.9 million unique patients (veterans and their dependents). Department of Veterans Affairs, "Geographic Distribution of VA Expenditures For FY 2004," 2004, available online at [http://www.va.gov/vetdata/GeographicInformation/GDX-FY04\(000\)Final.xls](http://www.va.gov/vetdata/GeographicInformation/GDX-FY04(000)Final.xls).

⁹ Sharon Treat, "National Legislative Association on Prescription Drug Prices Newsletter," April 13, 2005, available online at <http://www.nlarx.org/newsletters/index.html>.

APPENDIX A: DRUG PRICE COMPARISONS

About the Drugs

The drugs used in this analysis are the most frequently prescribed drugs in the Pennsylvania Pharmaceutical Assistance Contract for the Elderly (PACE) program. PACE is the largest and oldest outpatient prescription drug program for older Americans in the United States. In January 2004, there were 190,071 people enrolled in PACE, and in FY 2004, PACE filled over 9.4 million prescriptions. Because of the program's size and the abundance of claims data, it is commonly used to estimate prescription drug use among older Americans.

Using PACE claims data for 2004, Families USA identified the 50 drugs most frequently prescribed to seniors based on PACE claims volume. Because of some changes in drug availability, and because of the way drugs are designated in the PACE utilization information, the following changes were made in the listing:

- Vioxx, which had appeared among the 50 most frequently prescribed drugs in 2004, was excluded from the list because the product was withdrawn from the market.
- The PACE program lists generic drugs by manufacturer. As a result, for some high-volume drugs, the exact same product (products with the same chemical compound and same dosage) may appear multiple times with different manufacturers. The data from the Centers for Medicare and Medicaid Services (CMS) on the Medicare discount card program do not distinguish among generic drugs by manufacturer. Therefore, for generics that appeared more than once among the most frequently prescribed drugs, we listed that drug in the position in which it first appeared.

The drugs and their product descriptions are listed in Appendix Table 1 on page 21.

For all of the drugs included in this report, the Medicare Web site reports prices on a monthly basis for retail purchases. These prices were generally for 30 units. For mail order purchases, prices were reported for a three-month supply, which was generally 90 units. Reported prices were annualized based on typical dosing, which was usually one tablet per day.

The VA reports prices based on the contract quantity (30 units, 90 units, etc.). We used the contract quantity that provided the lowest unit price; in most cases, that was for 90 or 100 units. Unit prices were annualized based on standard dosing.

Dosing for all tablets or capsules is one per day, with the exception of Fosamax and Actonel, which are once-a-week dosing. Price reporting and calculations were somewhat different for drugs delivered in spray, aerosol, or solution formulations. For these medications, both Medicare and the VA reported prices based on standard usage per one- or three-month period. Prices were annualized based on the number of bottles or inhalers typically used per month.

About VA Prices

The Department of Veterans Affairs (VA) administers multiple drug pricing schedules on behalf of the federal government. The price schedules administered by the VA are the best representation of U.S. pharmaceutical prices achievable through government negotiations. For each pricing schedule, the negotiated prices are the prices at which a drug is available to any entity that is eligible to purchase from that schedule. For this report, we examined several of these pricing schedules as examples of the types of drug prices that can be obtained when the government uses its purchasing clout in negotiations with manufacturers. We describe each of the pricing schedules used in this report below.

- **The Federal Supply Schedule:** The Federal Supply Schedule (FSS) was established in 1949 to facilitate government supply purchases through pricing contracts. The VA is responsible for managing and awarding FSS contracts related to medical products and services, including prescription drugs. FSS prices are based on pricing data that manufacturers submit to the VA. The VA negotiates prices with the goal of obtaining prices that are equal to or better than Most Favored Commercial Customer (MFC) prices. However, on occasion, the Federal Supply Schedule price may be higher than the MFC price. FSS prices are available to all government agencies, including the VA, the Department of Defense, the Bureau of Prisons, the Indian Health Services, the Public Health Service, and some state veterans' homes. Virtually all prescription drug manufacturers participate in the Federal Supply Schedule for all of their products.
- **Big-4 Prices:** The VA also administers the "Big-4" pricing program. This is a discount program that Congress established for the VA, the Department of Defense, the Coast Guard, and the Public Health Service. Under the Big-4 program, a price cap is set on what manufacturers can charge purchasers — the price of a drug covered under the Big-4 program cannot be more than 76 percent of the Non-Federal Average Manufacturer Price. In some instances,

the VA obtains prices that are lower than required. Sometimes, manufacturers, not wanting to negotiate and administer separate pricing contracts, offer the same pricing to the Big-4 and the FSS. The groups that can access Big-4 pricing schedules can purchase from either the Federal Supply Schedule or the Big-4 pricing schedule, whichever has the lowest price.

- **Restricted Federal Supply Schedule (RFSS):** The RFSS is available to the VA and reflects additional price discounts that the VA has been able to obtain.
- **National Contract Prices:** The VA further negotiates prices with manufacturers for the Veterans Health Administration and the 5 million veterans and dependents the program serves annually. National contracts are negotiated through competitive bidding. Low prices are generally obtained in exchange for inclusion on the VA formulary, the list of preferred drugs used by VA providers. National contract prices are generally lower than other pricing schedules, and only VA providers can purchase drugs from this price schedule. VA facilities and providers can purchase from any of these VA price lists, including purchasing non-formulary drugs when necessary.

Appendix Table 2 shows the price for each of the top 50 drugs on each of the VA pricing schedules. Some drugs are listed on multiple schedules, showing the different prices the VA has been able to negotiate. For the comparisons in this report, Families USA used the lowest publicly available price negotiated by the VA through the multiple programs it administers. Prices were collected through the Web site for VA pharmacy benefits (www.vapbm.org) and were also provided by VA staff.

About Medicare Discount Card Prices

Each of the many vendors that offers cards through the Medicare discount card program—an average of 35 vendors for each drug—individually negotiates prices with drug manufacturers. These negotiated prices are the basis for the prices each vendor offers to Medicare consumers. While the prices these companies negotiate with manufacturers are not public, the prices they offer purchasers—Medicare consumers—are. Those are the prices used in this analysis. The discount card prices used in this analysis were collected through the Medicare Web site at www.medicare.gov (click on “Find a Medicare-Approved Drug Discount Card”).

Drug prices can vary from card to card, from pharmacy to pharmacy, geographically, and according to whether a prescription is filled by mail order or through retail purchase. And vendors can have a preferred drug list or formulary, meaning they do

not have to offer discounts on all drugs. The card vendor that offers the best discount on one drug may not offer as good a discount on another drug, or it may not offer any discount on that drug at all.

The geographic variation in pricing is not substantial. The Medicare Web site shows, for a given zip code, the lowest and highest prices that each vendor is reporting for its card, both for mail order and retail purchases.

For this analysis, Families USA used a zip code for the Cincinnati area, 45206, to collect all Medicare discount card drug prices. We recorded the lowest and highest mail order and retail prices for each drug. Appendix Table 2 shows the price range for each of the 50 drugs in this analysis for vendors operating in zip code 45206. The table shows the price range for drugs purchased both through a retail pharmacy and by mail order. Every drug in this analysis was offered through several discount card vendors and available through both mail order and retail. This does not mean that every vendor offered all of the drugs or offered them by both mail order and retail purchase.

Appendix Table 1

Top 50 Drugs Prescribed to Seniors in 2004, by Name and Therapeutic Category

| Rank by # of Claims | Drug Name | Strength | Dose Form | Therapeutic Category |
|---------------------|------------------------|-----------|-----------|---------------------------------|
| 1 | Plavix | 75 mg | tab | Antiplatelet Agent |
| 2 | Lipitor | 10 mg | tab | Lipid-Lowering Agent |
| 3 | Fosamax | 70 mg | tab | Osteoporosis Treatment |
| 4 | Norvasc | 5 mg | tab | Calcium Channel Blocker |
| 5 | Protonix | 40 mg | tab | Gastrointestinal Agent |
| 6 | Celebrex | 200 mg | cap | Anti-Inflammatory/Analgesic |
| 7 | Zocor | 20 mg | tab | Lipid-Lowering Agent |
| 8 | Nexium | 40 mg | cap | Gastrointestinal Agent |
| 9 | Lipitor | 20 mg | tab | Lipid-Lowering Agent |
| 10 | Prevacid | 30 mg | cap DR | Gastrointestinal Agent |
| 11 | Norvasc | 10 mg | tab | Calcium Channel Blocker |
| 12 | Toprol XL | 50 mg | tab | Beta Blocker |
| 13 | furosemide | 40 mg | tab | Loop Diuretic |
| 14 | Actonel | 35 mg | tab | Osteoporosis Treatment |
| 15 | Xalatan | 0.005 % | sol | Glaucoma Treatment |
| 16 | Zocor | 40 mg | tab | Lipid-Lowering Agent |
| 17 | metoprolol tartrate | 50 mg | tab | Beta Blocker |
| 18 | Aricept | 10 mg | tab | Alzheimer's Treatment |
| 19 | Zoloft | 50 mg | tab | Antidepressant |
| 20 | Toprol XL | 100 mg | tab | Beta Blocker |
| 21 | Klor-Con M20 | 20 meq | tab ER | Potassium Replacement |
| 22 | Evista | 60 mg | tab | Osteoporosis Treatment |
| 23 | Digitek | 0.125 mg | tab | Cardiac Glycoside |
| 24 | Combivent | 1 mg | aerosol | Respiratory Agent |
| 25 | isosorbide mononitrate | 30 mg | tab ER | Anti-Anginal Agent |
| 26 | Detrol LA | 4 mg | cap | Overactive Bladder Treatment |
| 27 | Zetia | 10 mg | tab | Lipid-Lowering Agent |
| 28 | atenolol | 50 mg | tab | Beta Blocker |
| 29 | Diovan | 80 mg | tab | Angiotensin II Inhibitor |
| 30 | hydrochlorothiazide | 25 mg | tab | Thiazide Diuretic |
| 31 | Cozaar | 50 mg | tab | Angiotensin II Inhibitor |
| 32 | Lipitor | 40 mg | tab | Lipid-Lowering Agent |
| 33 | Lexapro | 10 mg | tab | Antidepressant |
| 34 | Toprol XL | 25 mg | tab | Beta Blocker |
| 35 | isosorbide mononitrate | 60 mg | tab ER | Anti-Anginal Agent |
| 36 | Klor-Con M10 | 10 meq | tab ER | Potassium Replacement |
| 37 | Pravachol | 40 mg | tab | Lipid-Lowering Agent |
| 38 | atenolol | 25 mg | tab | Beta Blocker |
| 39 | Flomax | 0.4 mg | cap | Alpha Blocker |
| 40 | Diovan | 160 mg | tab | Angiotensin II Inhibitor |
| 41 | Synthroid | 50 mcg | tab | Synthetic Thyroid Agent |
| 42 | Zocor | 10 mg | tab | Lipid-Lowering Agent |
| 43 | Singulair | 10 mg | tab | Leukotriene Receptor Antagonist |
| 44 | Synthroid | 100 mcg | tab | Synthetic Thyroid Agent |
| 45 | furosemide | 20 mg | tab | Loop Diuretic |
| 46 | Alphagan P | 0.15 % | sol | Glaucoma Treatment |
| 47 | Aciphex | 20 mg | tab | Gastrointestinal Agent |
| 48 | warfarin sodium | 5 mg | tab | Anticoagulant Agent |
| 49 | Ambien | 10 mg | tab | Sedative-Hypnotic |
| 50 | Miacalcin | 200 iu/Ac | spray | Calcitonin Replacement |

Source: Most frequently prescribed drugs in the Pennsylvania PACE program in 2004, based on claims volume. Vioxx appeared among the top 50 drugs in the PACE list but, because of its withdrawal from the market, it was excluded from this list. Several generic drugs appeared multiple times at the same dosage with different manufacturers. Because the Medicare discount card does not distinguish between generic manufacturers in publicly available pricing data, each generic drug was listed in the order in which it first appeared.

Appendix Table 2

Price Ranges and Annual Cost of Treatment, VA Pricing Schedules and Medicare Discount Card Vendors

| 2004 Rank by # of Claims | Drug Name | Strength | Dose Form | VA Prices | | | | Medicare Discount Card Prices | | | |
|--------------------------|------------------------|-----------|-----------|-----------|--------|----------|--------|-------------------------------|----------|------------|----------|
| | | | | FSS | RFSS | Big 4 | NC | Retail | | Mail Order | |
| | | | | | | | | Low | High | Low | High |
| 1 | Plavix | 75 mg | tab | 1,316.88 | | 887.16 | | 1,295.76 | 1,520.28 | 1,230.36 | 1,440.60 |
| 2 | Lipitor | 10 mg | tab | 498.84 | | | | 779.16 | 903.72 | 730.56 | 814.32 |
| 3 | Fosamax | 70 mg | tab | 493.32 | | | | 683.52 | 893.04 | 650.52 | 780.48 |
| 4 | Norvasc | 5 mg | tab | 301.68 | | | | 500.88 | 597.24 | 467.04 | 523.32 |
| 5 | Protonix | 40 mg | tab | 321.96 | 253.32 | 321.96 | | 860.40 | 1,291.20 | 827.40 | 1,086.12 |
| 6 | Celebrex | 200 mg | cap | 785.63 | | 602.40 | | 894.12 | 1,078.08 | 861.12 | 979.80 |
| 7 | Zocor | 20 mg | tab | 831.24 | 167.76 | | | 966.48 | 1,608.84 | 793.56 | 1,089.60 |
| 8 | Nexium | 40 mg | cap | 968.32 | | | | 1,182.72 | 1,649.64 | 1,137.12 | 1,370.76 |
| 9 | Lipitor | 20 mg | tab | 747.48 | | | | 1,118.28 | 1,287.00 | 1,059.96 | 1,177.92 |
| 10 | Prevacid | 30 mg | cap DR | 850.20 | | | | 1,323.96 | 1,776.12 | 1,178.64 | 1,694.52 |
| 11 | Norvasc | 10 mg | tab | 428.76 | 330.00 | | | 688.56 | 799.44 | 640.92 | 715.32 |
| 12 | Toprol XL | 50 mg | tab | 156.24 | | | | 225.48 | 348.36 | 192.48 | 270.24 |
| 13 | furosemide | 40 mg | tab | 7.24 | | | | 47.76 | 109.56 | 20.40 | 39.00 |
| 14 | Actionel | 35 mg | tab | 461.64 | 355.44 | | | 645.84 | 846.00 | 641.40 | 790.68 |
| 15 | Xalatan | 0.005 % | sol | 490.92 | 266.64 | 386.88 | | 589.20 | 693.84 | 550.20 | 615.12 |
| 16 | Zocor | 40 mg | tab | 831.24 | | | 251.64 | 1,165.80 | 1,608.84 | 993.72 | 1,242.72 |
| 17 | metoprolol tartrate | 50 mg | tab | 291.84 | | 190.44 | 6.48 | 52.80 | 222.60 | 14.16 | 102.96 |
| 18 | Aricept | 10 mg | tab | 1,178.40 | | 1,056.84 | | 1,583.28 | 1,751.40 | 1,453.92 | 1,618.68 |
| 19 | Zolof | 50 mg | tab | 531.84 | 445.08 | | | 815.16 | 998.88 | 782.16 | 904.56 |
| 20 | Toprol XL | 100 mg | tab | 238.82 | | | | 306.48 | 496.44 | 273.48 | 402.00 |
| 21 | Klor-Con M 20 | 20 meq | tab ER | 41.76 | | | | 113.16 | 213.00 | 85.44 | 141.36 |
| 22 | Evista | 60 mg | tab | 696.36 | | 567.84 | | 802.32 | 1,066.80 | 769.32 | 954.00 |
| 23 | Digitek | 0.125 mg | tab | 46.76 | | | | 78.24 | 110.40 | 34.20 | 63.00 |
| 24 | Combivent | 1 mg | aerosol | 309.60 | | | | 633.84 | 892.92 | 600.84 | 755.52 |
| 25 | isosorbide mononitrate | 30 mg | tab ER | 20.16 | | | 14.16 | 128.76 | 446.76 | 115.20 | 236.04 |
| 26 | Detrol LA | 4 mg | cap | 752.40 | 500.28 | 635.28 | | 1,011.60 | 1,142.04 | 935.40 | 1,040.40 |
| 27 | Zetia | 10 mg | tab | 517.68 | 515.16 | | | 870.96 | 952.92 | 767.04 | 879.72 |
| 28 | atenolol | 50 mg | tab | 8.52 | 3.96 | | | 59.40 | 315.12 | 16.80 | 160.44 |
| 29 | Diovan | 80 mg | tab | 535.72 | | 373.28 | 97.20 | 559.44 | 809.88 | 477.48 | 734.04 |
| 30 | hydrochlorothiazide | 25 mg | tab | 6.84 | | | 3.12 | 38.28 | 82.32 | 10.80 | 48.00 |
| 31 | Cozaar | 50 mg | tab | 311.44 | | | 90.84 | 526.44 | 629.88 | 426.36 | 546.84 |
| 32 | Lipitor | 40 mg | tab | 791.64 | | | | 1,124.28 | 1,287.00 | 1,059.96 | 1,177.92 |
| 33 | Lexapro | 10 mg | tab | 649.56 | 360.00 | 493.92 | | 722.64 | 867.72 | 689.64 | 776.28 |
| 34 | Toprol XL | 25 mg | tab | 157.90 | | | | 215.28 | 348.36 | 182.28 | 270.24 |
| 35 | isosorbide mononitrate | 60 mg | tab ER | 17.76 | | | 13.80 | 71.04 | 359.28 | 35.04 | 296.64 |
| 36 | Klor-Con M 10 | 10 meq | tab ER | 39.48 | | | 385.92 | 98.04 | 134.16 | 47.64 | 91.08 |
| 37 | Pravachol | 40 mg | tab | 630.00 | 470.40 | 617.16 | | 1,273.44 | 1,782.12 | 1,240.44 | 1,725.72 |
| 38 | atenolol | 25 mg | tab | 264.12 | | | 3.96 | 61.32 | 292.20 | 21.00 | 147.24 |
| 39 | Flomax | 0.4 mg | cap | 379.92 | | | | 616.08 | 722.64 | 571.92 | 630.48 |
| 40 | Diovan | 160 mg | tab | 535.56 | 129.60 | 402.00 | 97.20 | 599.76 | 1,118.40 | 513.36 | 1,021.32 |
| 41 | Synthroid | 50 mcg | tab | 32.40 | | | | 73.20 | 200.16 | 40.20 | 144.60 |
| 42 | Zocor | 10 mg | tab | 476.52 | | | 99.00 | 726.36 | 945.12 | 618.60 | 753.24 |
| 43 | Singulair | 10 mg | tab | 624.42 | 617.52 | | | 906.12 | 1,130.64 | 826.68 | 1,018.80 |
| 44 | Synthroid | 100 mcg | tab | 32.40 | | | | 85.08 | 219.24 | 52.08 | 169.44 |
| 45 | furosemide | 20 mg | tab | 4.27 | | | | 48.48 | 109.56 | 9.60 | 48.00 |
| 46 | Alphagan P | 0.15 % | sol | 283.20 | | 264.84 | | 459.36 | 536.40 | 388.20 | 457.20 |
| 47 | Aciphex | 20 mg | tab | 856.68 | | 834.24 | | 1,388.16 | 1,565.76 | 1,212.96 | 1,485.00 |
| 48 | warfarin sodium | 5 mg | tab | 43.20 | | | | 129.84 | 4,837.56 | 100.80 | 5,251.80 |
| 49 | Ambien | 10 mg | tab | 799.56 | | 564.48 | | 911.88 | 1,175.76 | 878.88 | 1,057.92 |
| 50 | Miacalcin | 200 iu/Ac | spray | 787.92 | | 641.88 | | 1,005.00 | 1,088.52 | 879.96 | 982.32 |

FSS: Federal Supply Schedule

RFSS: Restricted Federal Supply Schedule

NC: National Contracts

APPENDIX B: THE MEDICARE DRUG BENEFIT

This Appendix provides background information on the Medicare prescription drug benefit, which will begin on January 1, 2006.

The Fundamentals of Coverage

The Medicare drug benefit will be offered through private companies and health plans that contract with Medicare. Anyone in Medicare who wishes to receive the drug benefit has to be enrolled in one of these plans. Beneficiaries can only enroll in one plan at a time and, in most cases, can change plans only during annual enrollment periods. Drug plans, however, are allowed to change the drugs they cover several times a year.

The benefit will vary across plans. However there are some basic parameters that all companies that offer the benefit must follow:

- Plans can limit the drugs they cover—every plan can develop a “formulary” or list of covered drugs. The plan is guaranteed to cover only the drugs on the formulary. However, every plan formulary must include at least two drugs in each therapeutic class (assuming there are at least two drugs on the market). Nevertheless, the drugs covered will likely vary from plan to plan.
- Companies providing the drug benefit can offer a variety of different plans with different levels of coverage. All companies, however, will have to offer a plan that is comparable to Medicare’s basic benefit (which is defined in the Medicare Modernization Act). Plans can offer a benefit that is structured exactly like the basic benefit or a benefit that has been actuarially determined to have equal value to, but a different structure than, the basic benefit.

We describe the basic benefit below. (More detailed information is available on our Web site at www.familiesusa.org.) Medicare will also provide added financial help with drug costs to people who qualify for low-income assistance. We discuss the low-income benefit on page 25.

Medicare’s Basic Benefit

Every plan that offers the Medicare drug benefit has to offer an option that is comparable to Medicare’s basic benefit. The basic benefit is defined in the law. Plans can offer a benefit that is different from the basic benefit if they can certify to Medicare that it is actuarially equal to the Medicare basic benefit outlined in the law. The basic benefit in 2006 is as follows:

- **Premium:** Plans will charge a monthly premium to enrollees. The average monthly premium in 2006 is \$32. Premiums will be determined by the plans and can be expected to increase annually.
- **Deductible:** Plans will also change an annual deductible. In 2006, the deductible is set at \$250, meaning that people in Medicare must pay the first \$250 in drug costs. Every year, the deductible will increase at the same rate as projected increases in Medicare drug costs.
- **Initial Coverage Limit:** After a beneficiary has met the annual deductible, the plan will pay for 75 percent of drug costs up to an “initial coverage limit,” and the beneficiary must pay 25 percent. In 2006, the initial coverage limit is set at \$2,250. Once an individual’s drug costs reach \$2,250 (the deductible plus \$2,000 in drug costs, including both what the plan and the beneficiary pay), plan coverage stops for the rest of the year unless he or she qualifies for catastrophic coverage because of high drug costs. Every year, the initial coverage limit will go up at the same rate as the projected increase in Medicare’s drug costs.
- **Gap in Coverage—“Doughnut Hole”:** After a beneficiary has reached the initial coverage limit, he or she must pay 100 percent of the cost of prescriptions for the rest of the year unless he or she qualifies for catastrophic coverage. As long as individuals purchase drugs that are included on the plan formulary (see below), they will be able to purchase those drugs at a discounted price.
- **Catastrophic Coverage:** An individual with high drug costs may qualify for catastrophic coverage. At that point, the plan pays for most drug costs for the rest of the year, and beneficiaries pay 5 percent of the cost of each prescription. In 2006, catastrophic coverage starts once an individual has paid \$3,600 of his or her own money on prescription drugs during the year—this is the annual out-of-pocket maximum (this equals \$5,100 in total drug costs). Every year, the annual out-of-pocket maximum—the amount that someone has to pay to qualify for catastrophic coverage—will go up at the same rate as the increase in Medicare spending.
- **A Note on Formularies:** Only drugs on a plan’s formulary are automatically covered by the plan. The law requires plans to provide beneficiaries with price discounts on covered drugs. There is no requirement, however, regarding the level of discount to be offered. Only drugs that the plan covers count toward the deductible, initial coverage limit, and annual out-of-pocket maximum.

Medicare's Low-Income Benefit

Medicare will also provide a low-income benefit to give added help with drug costs to qualifying individuals. To qualify for any level of low-income help, an individual's income cannot exceed 150 percent of the federal poverty level (\$14,355 for an individual or \$19,245 for a couple in 2005), and beneficiaries cannot have assets in excess of \$10,000 for an individual or \$20,000 for a couple.

There are multiple tiers of low-income help. The descriptions below provide a brief overview of these levels. More detailed information is available on our Web site at www.familiesusa.org.

- **Dual eligibles—individuals enrolled in both Medicare and Medicaid**—are automatically eligible for low-income help. They will not have to pay the monthly premium or deductible, and they will have no gap in coverage. They will have to pay copayments for each prescription, and copayment amounts will vary depending on enrollee income and type of drug purchased (generic or brand-name). The maximum copayment for dual eligibles is \$2 for a generic prescription and \$5 for a brand-name drug. After an enrollee's 2006 drug costs reach \$5,100 (what the plan has paid plus copayments), copayments are waived for the rest of the year and catastrophic coverage begins. Copayment amounts will increase annually based on inflation, as will the trigger for catastrophic coverage. Dual eligibles living in institutions such as nursing homes will not have to pay copayments.

Beneficiaries who are not dual eligibles but who do meet certain income and asset criteria are also eligible for added help.

- **Medicare beneficiaries with incomes under 135 percent of poverty and assets below \$6,000 for an individual or \$9,000 for a couple** are also eligible for low-income help. The benefit they will receive is comparable to that for dual eligibles. They will not have to pay a monthly premium or deductible, and they will have no gap in coverage. Their copayments per prescription cannot exceed \$2 for generics and \$5 for brand-name drugs. After their 2006 drug costs reach \$5,100 (what the plan has paid plus copayments), their copayments are waived for the rest of the year and catastrophic coverage begins. Copayment amounts will increase annually, along with the trigger for catastrophic coverage and the asset limits.

- **Medicare beneficiaries with incomes under 150 percent of poverty and assets below \$10,000 for an individual or \$20,000 for a couple** are eligible for more limited low-income help. Individuals in this category must pay a monthly premium that will vary based on income. They will also have to pay a \$50 deductible and, after that has been met, 15 percent cost-sharing on each prescription. They will have no gap in coverage. After a beneficiary's drug costs reach \$5,100—at which point he or she would have spent \$808 on prescription drugs—cost-sharing is reduced to \$2 for each generic prescription and \$5 per brand-name drug. After 2006, the deductible, the trigger for catastrophic coverage, copayments under catastrophic coverage, and the asset limits will all increase.

CREDITS

This report was written by:

*Dee Mahan, Deputy Director of Health Policy
Families USA*

**The following Families USA staff contributed to the
preparation of this report:**

Ron Pollack, Executive Director

Peggy Denker, Director of Publications

Ingrid VanTuinen, Writer-Editor

Kathleen Stoll, Director of Health Policy

Lelia Babaeva, Villers Fellow

Nancy Magill, Design/Production Coordinator



Please visit our Web site at:
www.familiesusa.org

Families USA

Families USA is a national, nonprofit organization dedicated to the achievement of high-quality, affordable health care for all Americans. You can help promote our goals by joining our grassroots advocacy network or by contributing to Families USA today.

Yes, I want to add my voice in support of affordable, high-quality health care for all.

_____ \$25 _____ \$50 _____ \$100 _____ \$250 _____ Other

Please send me information about Families USA's grassroots advocacy network.

Enclosed is \$70 for a one-year subscription to Families USA Publications Service (includes a 20% discount on all previously published materials).*

Please send me the publications listed below (20% discount for subscribers to Publications Service).*

| Pub Code | Title | Quantity | Price |
|----------|-------|----------|-------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Name: _____

Organization: _____

Street Address: _____

City, State, Zip Code: _____

Telephone (Day): _____ (Evening) _____ Fax _____

* DC residents/organizations, add 5.75% sales tax or provide sales tax exemption certificate.

Total Amount Enclosed : _____

Contributions to Families USA are tax-deductible. Please make your check payable to Families USA.

*Families USA receives no financing from the health or insurance industries.
 We rely on funding from individuals and private foundations.*

PUBLICATIONS AVAILABLE FROM FAMILIES USA*

| Publication Code | Title | Price |
|------------------|--|---------|
| PS-000 | <i>Families USA Publications Service.</i> Annual subscription to reports, issue briefs, and fact sheets published by Families USA. | \$70.00 |
| 05-103 | <i>Gearing Up Series: Filling the Holes in Part D—The Essential Role of State Pharmacy Assistance Programs, Part 2 of 2</i> (8/05) | \$3.00 |
| 05-102 | <i>Gearing Up Series: The Holes in Part D—Gaps in the New Medicare Drug Benefit, Part 1 of 2</i> (8/05) | \$5.00 |
| 05-101 | <i>Paying a Premium: The Added Cost of Care for the Uninsured</i> (6/05) | \$15.00 |
| 05-100 | <i>Health Action 2005 Tool Kit</i> (1/04) | \$50.00 |
| 04-107 | <i>Health Care: Are you better off today than you were four years ago?</i> (11/04) | \$15.00 |
| 04-106 | <i>A 10-Foot Rope for a 40-Foot Hole: Tax Credits for the Uninsured - 2004 Update</i> (11/04) | \$15.00 |
| 04-107 | <i>Ideas That Work: Expanding Health Coverage for Workers</i> (10/04) | \$20.00 |
| 04-IB01 | <i>Gearing Up Series: States Face the New Medicare Law</i> (9/04) | \$2.00 |
| 04-104 | <i>One in Three: Non-Elderly Americans without Health Insurance</i> (6/04) | \$15.00 |
| 04-103 | <i>Sticker Shock: Rising Drug Prices for Seniors</i> (5/04) | \$15.00 |
| 04-102 | <i>Medicaid: Good Medicine for State Economies, 2004 Update</i> (5/04) | \$15.00 |
| 04-101 | <i>Working without a Net: The Health Care Safety Net Still Leaves Million of Low-Income Workers Uninsured.</i> A Special Report (4/04) | \$5.00 |
| 03-105 | <i>Top Dollar: CEO Compensation in Medicare's Private Insurance Plans</i> (6/03) | \$15.00 |
| 03-104 | <i>Slashing Medicaid: The Hidden Effects of the President's Block-Grant Proposal.</i> A Special Report (5/03) | \$5.00 |
| 03-103 | <i>Going without Health Insurance: Nearly One in Three Non-Elderly Americans</i> (3/03) | \$15.00 |
| 03-102 | <i>Medicaid: Good Medicine for California's Economy</i> (1/03) | \$15.00 |
| 03-101 | <i>Medicaid: Good Medicine for State Economies</i> (1/03) | \$15.00 |

* For a complete list of Families USA publications,
visit our Web site at www.familiesusa.org
or send a self-addressed, stamped envelope (60¢ postage) to
Families USA Publications, 1201 New York Avenue NW, Suite 1100, Washington, DC 20005.