Still Rising:

Drug Price Increases for Seniors 1999 - 2000

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INTRODUCTION

For older Americans, the affordability of prescription drugs has long been a pressing concern. Outpatient prescription drug coverage is one of the last major benefits still excluded from Medicare, and the elderly are the last major *insured* consumer group without access to prescription drugs as a standard benefit. Although many Medicare beneficiaries have access to supplemental prescription drug coverage, too often that coverage is very expensive and very limited in scope. What is more, such coverage is on the decline.

As a result, older Americans—who are by far the greatest consumers of prescription drugs—pay a much larger share of drug costs out of their own pockets than do those who are under 65. The elderly are also least likely to receive the benefit of price discounts for prescription drugs—discounts that are provided to bulk purchasers of drugs, including health plans covering younger populations. This means the prices of prescription drugs have a greater impact on older Americans than on younger persons.

In 1999, Families USA found that the prices of the 50 prescription drugs most commonly used by older Americans rose much faster than the rate of inflation for each of the previous five years.[1] To determine if this trend of steadily increasing prices for prescription drugs has improved, remained the same, or worsened from 1999 to 2000, Families USA gathered updated information on the prices of the prescription drugs most commonly used by older Americans.

Our analysis shows that, in each of the past six years, the prices of the 50 prescription drugs most used by older Americans have increased considerably faster than inflation. While senior citizens generally live on fixed incomes that are adjusted to keep up with the rate of inflation, the cost of the prescription drugs they purchase most frequently has risen at approximately two times the rate of inflation over the past six years and nearly two times the rate of inflation in the last year.

FINDINGS

- The prices of the 50 prescription drugs[2] most frequently used by the elderly rose by nearly two times the rate of inflation during calendar year 1999.* On average, the prices of these top 50 drugs increased by 3.9 percent from January 1999 to January 2000, though the general rate of inflation in that period was 2.2 percent. (See Table 1.)

- From January 1999 to January 2000, of the 50 drugs most commonly used by the elderly:
  - Fewer than one-quarter of these drugs (12 out of 50) rose less than the rate of inflation. For nine of these drugs, there was no increase in price.
  - Two-thirds of these drugs (33 out of 50) rose 1.5 or more times the rate of inflation.
  - Half of these drugs (25 out of 50) rose two or more times the rate of inflation.
  - Nearly one-third of these drugs (15 out of 50) rose at more than three times the rate of inflation.
  - One-fifth of these drugs (11 out of 50) rose at more than four times the rate of inflation.

- Among the 50 drugs most frequently used by seniors, the following drugs rose most significantly in price from January 1999 to January 2000:
  - furosemide (a diuretic manufactured by Watson that is used to treat conditions such as hypertension and congestive heart failure), which rose by 50.0 percent (approximately 23 times the rate of inflation);
  - Klor-Con 10 (manufactured by Usher-Smith and used as a potassium replacement) rose 43.8 percent (approximately 20 times the rate of inflation);

* The data on average drug price increases used in this report weight drug price increases by sales. This means that the average drug price increases reported take into account the market share of each of the 50 top-selling drugs. This is the methodology often used by industry sources.

- metoprolol (manufactured by Mylan and used as a beta blocker) rose 15.8 percent (more than 7 seven times the rate of inflation);
- APAP/propoxyphene (manufactured by Mylan and used as a pain reliever) rose 15.4 percent (7 times the rate of inflation); and
- Premarin (manufactured by Wyeth-Ayerst and used for estrogen replacement) rose 12.1 percent (5.5 times the rate of inflation).

- Over the six years from January 1994 to January 2000, the prices of the prescription drugs most frequently used by older Americans rose, on average, 30.5 percent. This increase was twice the rate of inflation, which was 15.4 percent over that period. (See Table 2.)

- Of the 50 drugs most frequently used by older Americans, 39 have been on the market for the six-year period from January 1994 to January 2000.
  - The prices of 37 of those 39 drugs increased faster than the rate of inflation over the six-year period.
  - More than three-quarters of those drugs (30 out of 39) rose at least 1.5 times as fast as the rate of inflation over the six-year period.
  - Half of those drugs (22 out of 39) rose at least two times the rate of inflation over the six-year period.
  - More than one-fourth of those drugs (11 out of 39) rose at least three times the rate of inflation over the six-year period.
  - The prices of 6 of the 39 drugs increased at least five times faster than the rate of inflation over the six-year period.

- Of the 39 drugs that were used most frequently by seniors and that were on the market from January 1994 to January 2000, the drugs that rose most significantly in price were:
  - lorazepam (manufactured by Mylan and used to treat conditions such as anxiety, convulsions, and Parkinson's disease), which rose by 409 percent (almost 27 times the rate of inflation);

- furosemide, which rose by 210 percent (almost 14 times the rate of inflation);
- Klor-Con 10 (manufactured by Upsher-Smith and used as a potassium replacement), which rose by 164 percent (almost 11 times the rate of inflation);
- Imdur (manufactured by Schering and used to treat angina), which rose by 122 percent (eight times the rate of inflation); and
- Lanoxin (manufactured by Glaxo Wellcome and used to treat congestive heart failure), which rose by 90 percent (almost six times the rate of inflation).

- Of the 39 drugs that were used most frequently by seniors and that were on the market for the period from January 1994 to January 2000, 31 increased in price on at least six occasions during those six years. During those years, the following drugs increased in price at least nine times:
  - Imdur, which increased 11 times;
  - Premarin, which increased 10 times;
  - Atrovent (manufactured by Boehringer Ingelheim and used as a respiratory agent in the treatment of asthma, bronchitis, and emphysema), which increased 10 times;
  - Synthroid (manufactured by Knoll and used as a synthetic thyroid agent), which increased 9 times; and
  - K-Dur 20 (manufactured by Schering and used as a potassium replacement), which increased 9 times.

Table 1
Annual Percent Change in Price of the Top 50 Drugs (by Number of Claims) Used by the Elderly[a]

Rank by # of Claims	Brand Name Drug		Strength	Dose Form	94-95 % Price Change	95-96 % Price Change	96-97 % Price Change	97-98 % Price Change	98-99 % Price Change	99-00 % Price Change	94-95 Multiple of CPI	95-96 Multiple of CPI	96-97 Multiple of CPI	97-98 Multiple of CPI	98-99 Multiple of CPI	99-00 Multiple of CPI
1	Lanoxin	b	0.13 mg	tab	4.1%	4.9%	18.8%	25.4%	15.4%	1.0%	1.6	1.7	6.4	11.1	9.9	0.5
2	Prilosec		20 mg	cap cr	-2.1%	0.0%	0.0%	3.8%	2.7%	3.0%	(0.8)	0.0	0.0	1.7	1.7	1.4
3	Norvasc		5 mg	tab	4.0%	3.5%	3.0%	2.7%	2.6%	3.1%	1.6	1.2	1.0	1.2	1.7	1.4
4	K-Dur 20		20 meq	tab cr	5.5%	7.5%	10.0%	4.9%	6.2%	4.0%	2.1	2.7	3.4	2.1	4.0	1.8
5	Pepcid		20 mg	tab	3.4%	3.8%	3.7%	3.5%	3.1%	3.9%	1.3	1.3	1.2	1.5	2.0	1.8
6	Lanoxin	b	0.25 mg	tab	4.1%	4.9%	18.8%	25.4%	15.4%	1.0%	1.6	1.7	6.4	11.1	9.9	0.5
7	Imdur	b	60 mg	tab er	23.1%	29.7%	10.0%	9.6%	9.6%	5.0%	9.0	10.5	3.4	4.2	6.2	2.3
8	Synthroid	b	0.1 mg	tab	4.8%	5.8%	3.5%	9.3%	9.8%	9.4%	1.9	2.1	1.2	4.0	6.3	4.2
9	Vasotec		5 mg	tab	3.4%	4.2%	3.2%	3.9%	3.2%	3.8%	1.3	1.5	1.1	1.7	2.0	1.7
10	Procardia XL		30 mg	tab cr	4.0%	3.5%	3.0%	2.7%	2.6%	3.1%	1.6	1.2	1.0	1.2	1.7	1.4
11	Glucophage		500 mg	tab	*nm*	*nm*	8.2%	7.4%	12.3%	7.0%	*nm*	*nm*	2.8	3.2	7.9	3.2
12	Lipitor		10 mg	tab	*nm*	*nm*	*nm*	*nm*	3.0%	0.0%	*nm*	*nm*	*mm*	*nm*	1.9	0.0
13	Fosamax		10 mg	tab	*nm*	*nm*	3.7%	3.2%	6.8%	6.5%	*nm*	*nm*	1.3	1.4	4.4	2.9
14	Synthroid	b	0.05 mg	tab	4.7%	6.1%	3.8%	9.3%	9.8%	9.4%	1.8	2.2	1.3	4.1	6.3	4.3
15	Zoloft		50 mg	tab	8.3%	3.5%	3.0%	2.7%	2.6%	3.1%	3.3	1.2	1.0	1.2	1.7	1.4
16	Vasotec		10 mg	tab	3.4%	4.2%	3.2%	3.9%	3.2%	3.8%	1.3	1.5	1.1	1.7	2.0	1.7
17	Xalatan		0.01 %	sol	*nm*	*nm*	*nm*	4.0%	14.5%	0.0%	*nm*	*nm*	*nm*	1.8	9.3	0.0
18	Premarin		0.63 mg	tab	6.4%	6.4%	7.4%	4.4%	8.0%	12.1%	2.5	2.3	2.5	1.9	5.1	5.5
19	Cardizem CD	b	240 mg/24 hr	cap	4.4%	0.0%	4.9%	4.0%	4.0%	10.3%	1.7	0.0	1.7	1.8	2.5	4.6
20	Humulin N	b	100 IU	inj	3.5%	3.5%	10.0%	4.9%	5.0%	5.0%	1.4	1.2	3.4	2.1	3.2	2.3
21	APAP/propoxyphene	b	650 mg	tab	22.6%	0.0%	0.0%	0.0%	0.0%	15.4%	8.8	0.0	0.0	0.0	0.0	7.0
22	Cozaar		50 mg	tab	*nm*	*nm*	*3.7%*	6.0%	3.5%	0.0%	*nm*	*nm*	1.2	2.6	2.2	0.0
23	Cardizem CD	b	180 mg/24 hr	cap	4.4%	0.0%	4.9%	4.0%	4.0%	10.2%	1.7	0.0	1.7	1.7	2.5	4.6
24	Norvasc		10 mg	tab	4.0%	3.5%	3.0%	0.0%	0.0%	0.0%	1.6	1.2	1.0	0.0	0.0	0.0
25	albuterol	b	90 mcg	aerosol	*nm*	*nm*	0.0%	0.0%	0.0%	0.0%	*nm*	*nm*	0.0	0.0	0.0	0.0
26	Coumadin	b	5 mg	tab	3.5%	4.3%	4.0%	3.8%	4.9%	5.0%	1.4	1.5	1.4	1.7	3.1	2.3
27	Zocor		10 mg	tab	4.4%	3.9%	3.9%	3.5%	3.9%	0.0%	1.7	1.4	1.3	1.5	2.5	0.0
28	Zocor		20 mg	tab	4.4%	3.9%	0.0%	3.5%	3.9%	0.0%	1.7	1.4	0.0	1.5	2.5	0.0
29	Synthroid	b	0.08 mg	tab	4.6%	6.0%	3.8%	9.0%	9.8%	9.4%	1.8	2.1	1.3	3.9	6.3	4.2
30	Imdur	b	30 mg	tab er	*nm*	*nm*	*10.0%*	9.6%	9.6%	5.0%	*nm*	*nm*	3.4	4.2	6.2	2.3
31	Atrovent		0.02 mg/ac	inh aer	7.7%	3.5%	3.0%	4.9%	14.1%	8.2%	3.0	1.2	1.0	2.2	9.1	3.7
32	Procardia X		L0 mg	tab cr	4.0%	3.5%	3.0%	2.7%	2.6%	3.1%	1.6	1.2	1.0	1.2	1.7	1.4
33	Miacalcin		200 IU/ac	spray	*nm*	*nm*	*nm*	8.7%	4.2%	8.2%	*nm*	*nm*	*nm*	3.8	2.7	3.7
34	ranitidine HCl	b	150 mg	tab	*nm*	*nm*	*nm*	*nm*	0.0%	0.0%	*nm*	*nm*	*nm*	*nm*	0.0	0.0
35	Zestril	b	10 mg	tab	0.0%	4.2%	4.0%	4.0%	3.8%	1.6%	0.0	1.5	1.4	1.7	2.4	0.7
36	Toprol XL		50 mg	tab	0.0%	9.8%	8.1%	5.0%	5.0%	4.5%	0.0	3.5	2.8	2.2	3.2	2.0
37	Pravachol		20 mg	tab	5.0%	4.0%	4.0%	4.9%	10.2%	6.9%	2.0	1.4	1.4	2.1	6.6	3.1
38	Coumadin	b	2 mg	tab	3.6%	4.0%	4.1%	3.8%	4.9%	5.0%	1.4	1.4	1.4	1.7	3.1	2.3
39	Klor-Con 10	b	10 meq	tab er	31.9%	4.0%	25.3%	7.0%	0.0%	43.8%	12.5	1.4	8.6	3.1	0.0	19.8
40	Ultram		50 mg	tab	*nm*	*nm*	3.9%	9.0%	9.6%	4.0%	*nm*	*nm*	1.3	3.9	6.2	1.8
41	Mevacor		20 mg	tab	4.4%	3.9%	3.9%	3.5%	0.0%	3.8%	1.7	1.4	1.3	1.5	0.0	1.7
42	Paxil		20 mg	tab	4.0%	8.6%	4.5%	3.9%	3.9%	4.5%	1.6	3.0	1.5	1.7	2.5	2.0
43	furosemide	b	40 mg	tab	0.0%	0.0%	0.0%	0.0%	106.6%	50.0%	0.0	0.0	0.0	0.0	68.4	22.7
44	Propulsid		10 mg	tab	4.9%	3.9%	3.9%	4.9%	9.0%	4.0%	1.9	1.4	1.3	2.1	5.8	1.8
45	Relafen		500 mg	tab	4.0%	8.7%	4.5%	3.9%	4.9%	0.0%	1.6	3.1	1.5	1.7	3.1	0.0
46	Cardizem CD	b	120 mg/24 hr	cap	4.4%	0.0%	5.0%	4.0%	4.0%	10.3%	1.7	0.0	1.7	1.7	2.6	4.7
47	metoprolol	b	50 mg	tab	2.5%	10.7%	-1.9%	0.0%	0.0%	15.8%	1.0	3.8	(0.7)	0.0	0.0	7.2
48	Nitrostat	b	0.4 mg	sub	4.6%	9.4%	4.6%	8.9%	4.0%	4.1%	1.8	3.3	1.6	3.9	2.6	1.9
49	lorazepam	b	0.5 mg	tab	9.4%	13.8%	2.7%	0.0%	279.4%	5.0%	3.7	4.9	0.9	0.0	179.4	2.2
50	Demadex		20 mg	tab	*nm*	9.8%	11.8%	3.5%	0.0%	4.8%	*nm*	3.4	4.0	1.5	0.0	2.2
Average Weighted by Sales[c]					**4.0%**	**3.7%**	**3.5%**	**4.0%**	**6.6%**	**3.9%**	**1.6**	**1.3**	**1.2**	**1.7**	**4.2**	**1.8**
CPI - All Items, Annual Percent Change					**2.6%**	**2.8%**	**3.0%**	**2.3%**	**1.6%**	**2.2%**						

nm Not marketed during part or all of the period indicated.

[a] Based on price as of January 31 for each year reported. Drugs are listed in descending order of expenditures.

[b] Generic or co-marketed versions of this drug product are available.

[c] The weighted average was calculated based on 1998 expenditures for each drug in the Pennsylvania PACE program.

SOURCE: Compiled by PRIME Institute, University of Minnesota for Families USA. Based on data from the Pennsylvania Pharmaceutical Assistance Contract for the Elderly (PACE) and data found in PriceChek PC, published by MediSpan (First Databank, Indianapolis), April 2000.

Table 2

Cumulative Price Change of the Top 50 Drugs (by Number of Claims) Used by the Elderly[a]

Rank by # of Claims	Brand Name Drug		Strength	Dose Form	Therapeutic Category	Number of Price Changes 1994-2000	Cumulative Changes 1994-2000	Multiple of CPI 1994-2000
1	Lanoxin	b	0.13 mg	tab	Cardiac Glycoside	8	89.6%	5.9
2	Prilosec		20 mg	cap cr	Gastrointestinal Agents	5	7.5%	0.5
3	Norvasc		5 mg	tab	Calcium Channel Blocker	6	20.4%	1.3
4	K-Dur 20		20 meq	tab cr	Potassium Replacement	9	44.6%	2.9
5	Pepcid		20 mg	tab	Gastrointestinal Agents	6	23.3%	1.5
6	Lanoxin	b	0.25 mg	tab	Cardiac Glycoside	8	89.6%	5.9
7	Imdur	b	60 mg	tab er	Vasodilator	11	121.8%	8.0
8	Synthroid	b	0.1 mg	tab	Synthetic Thyroid Agent	9	50.7%	3.3
9	Vasotec		5 mg	tab	ACE Inhibitor	6	23.7%	1.6
10	Procardia XL		30 mg	tab cr	Calcium Channel Blocker	6	20.4%	1.3
11	Glucophage		500 mg	tab	Oral Antidiabetic Agent	6	*nm*	*nm*
12	Lipitor		10 mg	tab	Lipid-Lowering Agent	1	*nm*	*nm*
13	Fosamax		10 mg	tab	Osteoporosis Treatment	6	*nm*	*nm*
14	Synthroid	b	0.05 mg	tab	Synthetic Thyroid Agent	9	51.3%	3.4
15	Zoloft		50 mg	tab	Antidepressant	6	25.5%	1.7
16	Vasotec		10 mg	tab	ACE Inhibitor	6	23.7%	1.5
17	Xalatan		0.0 %	sol	Glaucoma Treatment	3	*nm*	*nm*
18	Premarin		0.63 mg	tab	Estrogen Replacement	10	53.7%	3.5
19	Cardizem CD	b	240 mg/24 hr	cap	Calcium Channel Blocker	6	30.6%	2.0
20	Humulin N	b	100 IU	inj	Insulin Anti-Diabetic Agent	7	36.3%	2.4
21	APAP/propoxyphene	b	650 mg	tab	Opiate Agonist	2	41.4%	2.7
22	Cozaar		50 mg	tab	Angiotensin II Inhibitor	4	*nm*	*nm*
23	Cardizem CD	b	180mg/24 hr	cap	Calcium Channel Blocker	6	30.5%	2.0
24	Norvasc		10 mg	tab	Calcium Channel Blocker	4	10.9%	0.7
25	albuterol	b	90 mcg	aerosol	Respiratory Agent	0	*nm*	*nm*
26	Coumadin	b	5 mg	tab	Anticoagulant	6	28.3%	1.9
27	Zocor		10 mg	tab	Lipid-Lowering Agent	5	21.2%	1.4
28	Zocor		20 mg	tab	Lipid-Lowering Agent	4	16.6%	1.1
29	Synthroid	b	0.08 mg	tab	Synthetic Thyroid Agent	9	50.8%	3.3
30	Imdur	b	30 mg	tab er	Vasodilator	7	*nm*	*nm*
31	Atrovent		0.02 mg/ac	inh aer	Respiratory Agent	10	48.7%	3.2
32	Procardia XL		60 mg	tab cr	Calcium Channel Blocker	6	20.4%	1.3
33	Miacalcin		200 IU/ac	spray	Calcitonin Replacement	4	*nm*	*nm*
34	ranitidine HCl	b	150 mg	tab	Gastrointestinal Agents	0	*nm*	*nm*
35	Zestril	b	10 mg	tab	ACE Inhibitor	4	18.9%	1.2
36	Toprol XL		50 mg	tab	Beta Blocker	7	36.9%	2.4
37	Pravachol		20mg	tab	Lipid-Lowering Agent	8	40.4%	2.6
38	Coumadin	b	2 mg	tab	Anticoagulant	6	28.1%	1.8
39	Klor-Con 10	b	10 meq	tab er	Potassium Replacement	6	164.4%	10.7
40	Ultram		50 mg	tab	Anti-inflammatory/Analgesic	6	*nm*	*nm*
41	Mevacor		20 mg	tab	Lipid-Lowering Agent	5	21.0%	1.4
42	Paxil		20 mg	tab	Antidepressant	6	33.1%	2.2
43	furosemide	b	40 mg	tab	Loop Diuretic	2	210.0%	13.7
44	Propulsid		10 mg	tab	Gastrointestinal Agents	7	34.7%	2.3
45	Relafen		500 mg	tab	Anti-inflammatory/Analgesic	6	28.8%	1.9
46	Cardizem CD	b	120mg/24 hr	cap	Calcium Channel Blocker	6	30.8%	2.0
47	metoprolol	b	50 mg	tab	Beta Blocker	7	28.9%	1.9
48	Nitrostat	b	0.4 mg	sub	Vasodilator	6	41.1%	2.7
49	lorazepam	b	0.5 mg	tab	Benxodiazepine Anxiolytic	5	409.4%	26.8
50	Demadex		20 mg	tab	Loop Diuretic	7	*nm*	*nm*
Top 50 Drugs, Average Weighted by Sales[c]						**5.9**	**30.5%**	**2.0**
CPI - All Items, Annual Percent Change							**15.4%**	

nm Not marketed during part or all of the period indicated.

[a] Based on price as of January 31 for each year reported. Drugs are listed in descending order of expenditures.

[b] Generic or co-marketed versions of this drug product are available.

[c] The weighted average was calculated based on 1998 expenditures for each drug in the Pennsylvania PACE program.

SOURCE: Compiled by PRIME Institute, University of Minnesota for Families USA. Based on data published by the Pennsylvania Pharmaceutical Assistance Contract for the Elderly (PACE) and data found in PriceChek PC, published by MediSpan (First Databank, Indianapolis), April 2000.

Table 3

Wholesale Cost Per Year of Therapy for Top 50 Drugs (by Number of Claims) Used by the Elderly[a]

Rank by # of Claims	Brand Name Drug		Strength	Dose Form	1994 Cost/ Year	1995 Cost/ Year	1996 Cost/ Year	1997 Cost/ Year	1998 Cost/ Year	1999 Cost/ Year	2000 Cost/ Year
1	Lanoxin	b	0.13 mg	tab	$ 39	$ 41	$ 43	$ 51	$ 64	$ 74	$ 75
2	Prilosec		20 mg	cap cr	$ 1,353	$ 1,325	$ 1,325	$ 1,325	$ 1,375	$ 1,412	$ 1,455
3	Norvasc		5 mg	tab	$ 414	$ 430	$ 445	$ 459	$ 471	$ 483	$ 498
4	K-Dur 20		20 meq	tab cr	$ 252	$ 266	$ 286	$ 315	$ 330	$ 351	$ 365
5	Pepcid		20 mg	tab	$ 524	$ 542	$ 562	$ 583	$ 603	$ 622	$ 646
6	Lanoxin	b	0.25 mg	tab	$ 39	$ 41	$ 43	$ 51	$ 64	$ 74	$ 75
7	Imdur	b	60 mg	tab er	$ 237	$ 291	$ 378	$ 416	$ 456	$ 500	$ 525
8	Synthroid	b	0.1 mg	tab	$ 75	$ 78	$ 83	$ 86	$ 94	$ 103	$ 113
9	Vasotec		5 mg	tab	$ 322	$ 333	$ 347	$ 358	$ 372	$ 384	$ 398
10	Procardia XL		30 mg	tab cr	$ 432	$ 450	$ 465	$ 479	$ 492	$ 505	$ 521
11	Glucophage		500 mg	tab	nm	*nm*	$ 507	$ 548	$ 589	$ 661	$ 708
12	Lipitor		10 mg	tab	*nm*	*nm*	*nm*	*nm*	$ 666	$ 686	$ 686
13	Fosamax		10 mg	tab	*nm*	*nm*	$ 609	$ 631	$ 651	$ 696	$ 741
14	Synthroid	b	0.05 mg	tab	$ 66	$ 69	$ 73	$ 76	$ 83	$ 91	$ 99
15	Zoloft		50 mg	tab	$ 681	$ 738	$ 764	$ 787	$ 808	$ 829	$ 855
16	Vasotec		10 mg	tab	$ 338	$ 349	$ 364	$ 376	$ 390	$ 403	$ 418
17	Xalatan		0.01 %	sol	*nm*	*nm*	*nm*	$ 331	$ 345	$ 394	$ 394
18	Premarin		0.63 mg	cap	$ 135	$ 144	$ 153	$ 165	$ 172	$ 186	$ 208
19	Cardizem CD	b	240 mg/24 hr	cap	$ 204	$ 213	$ 213	$ 224	$ 233	$ 242	$ 267
20	Humulin N	b	100 IU	inj	$ 307	$ 318	$ 329	$ 362	$ 380	$ 399	$ 419
21	APAP/propoxyphene	b	650 mg	tab	$ 314	$ 385	$ 385	$ 385	$ 385	$ 385	$ 444
22	Cozaar		50 mg	tab	*nm*	*nm*	$ 402	$ 416	$ 441	$ 457	$ 457
23	Cardizem CD	b	180 mg/24 hr	cap	$ 151	$ 157	$ 157	$ 165	$ 172	$ 179	$ 197
24	Norvasc		10 mg	tab	$ 716	$ 745	$ 771	$ 794	$ 794	$ 794	$ 794
25	albuterol	b	90 mcg	aerosol	*nm*	*nm*	$ 313	$ 313	$ 313	$ 313	$ 313
26	Coumadin	b	5 mg	tab	$ 193	$ 200	$ 208	$ 217	$ 225	$ 236	$ 248
27	Zocor		10 mg	tab	$ 657	$ 686	$ 713	$ 741	$ 766	$ 796	$ 796
28	Zocor		20 mg	tab	$ 1,191	$ 1,243	$ 1,292	$ 1,292	$ 1,337	$ 1,389	$ 1,389
29	Synthroid	b	0.08 mg	tab	$ 73	$ 76	$ 81	$ 84	$ 92	$ 101	$ 110
30	Imdur	b	30 mg	tab er	*nm*	*nm*	$ 359	$ 395	$ 433	$ 475	$ 498
31	Atrovent		0.02 mg/ac	inh aer	$ 382	$ 411	$ 425	$ 438	$ 460	$ 525	$ 568
32	Procardia XL		60 mg	tab cr	$ 748	$ 778	$ 805	$ 829	$ 852	$ 874	$ 901
33	Miacalcin		200 IU/ac	spray	*nm*	*nm*	*nm*	$ 411	$ 447	$ 466	$ 504
34	ranitidine HCl	b	150 mg	tab	*nm*	*nm*	*nm*	*nm*	$ 540	$ 540	$ 540
35	Zestril	b	10 mg	tab	$ 285	$ 285	$ 297	$ 309	$ 321	$ 333	$ 339
36	Toprol XL		50 mg	tab	$ 155	$ 155	$ 171	$ 185	$ 194	$ 204	$ 213
37	Pravachol		20 mg	tab	$ 632	$ 663	$ 690	$ 717	$ 753	$ 830	$ 887
38	Coumadin	b	2 mg	tab	$ 185	$ 192	$ 199	$ 207	$ 215	$ 226	$ 237
39	Klor-Con 10	b	10 meq	tab er	$ 108	$ 143	$ 148	$ 186	$ 199	$ 199	$ 286
40	Ultram		50 mg	tab	*nm*	*nm*	$ 876	$ 910	$ 992	$ 1,088	$ 1,131
41	Mevacor		20 mg	tab	$ 729	$ 761	$ 790	$ 821	$ 850	$ 850	$ 882
42	Paxil		20 mg	tab	$ 638	$ 664	$ 721	$ 753	$ 783	$ 813	$ 850
43	furosemide	b	40 mg	tab	$ 18	$ 18	$ 18	$ 18	$ 18	$ 38	$ 57
44	Propulsid		10 mg	tab	$ 876	$ 919	$ 955	$ 992	$ 1,041	$ 1,134	$ 1,180
45	Relafen		500 mg	tab	$ 687	$ 714	$ 776	$ 811	$ 843	$ 884	$ 884
46	Cardizem CD	b	120 mg/24 hr	cap	$ 122	$ 127	$ 127	$ 133	$ 139	$ 144	$ 159
47	metoprolol	b	50 mg	tab	$ 314	$ 322	$ 357	$ 350	$ 350	$ 350	$ 405
48	Nitrostat	b	0.4 mg	sub	$ 12	$ 13	$ 14	$ 14	$ 16	$ 16	$ 17
49	lorazepam	b	0.5 mg	tab	$ 97	$ 106	$ 120	$ 124	$ 124	$ 469	$ 493
50	Demadex		20 mg	tab	*nm*	$ 187	$ 205	$ 229	$ 237	$ 237	$ 249

nm Not marketed during part or all of the period indicated.

[a] Based on price as of January 31 for each year and usual dose as reported in PriceChek PC. Drugs are listed in descending order of expenditures.

[b] Generic or co-marketed versions of this drug product are available.

[c] The weighted average was calculated based on 1998 expenditures for each drug in the Pennsylvania PACE program.

SOURCE: Compiled by PRIME Institute, University of Minnesota for Families USA. Based on data published by the Pennsylvania Pharmaceutical Assistance Contract for the Elderly (PACE) and data found in PriceChek PC, published by MediSpan (First Databank, Indianapolis), April 2000.

NOTES TO TABLES

Tables 1-3:
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
mg/ac - milligrams per actuation (spray)
mcg - microgram, which is 1/1-millionth of a gram
meq - milliequivalent, an alternate form of measurement
iu - International Unit, a measurement of biological activity
iu/ac - International Units per actuation (spray)
sol - solution
inj - injection
tab - tablet
tab cr - controlled release tablet
tab er - extended release tablet
cap - capsule
cap cr - controlled release capsule
inh aer - inhalant aerosol
sub - sublingual, or under the tongue

DISCUSSION

The prices of prescription drugs used by older Americans continue to rise faster than the rate of inflation. Over the past year, prices for the 50 drugs most commonly used by the elderly rose nearly two times the rate of inflation. This continues the trend experienced in the prior five years. From January 1994 through January 2000, the prices of the drugs most widely prescribed for seniors also increased by twice the rate of inflation.

For seniors—many of whom live on fixed incomes—prescription drugs become increasingly unaffordable as prices continue to rise at double the rate of inflation. Mounting drug prices are especially burdensome for the one-third (34 percent) of seniors who have no insurance coverage for prescription drugs throughout the year as well as for the nearly half (47 percent) of seniors who lack coverage for at least part of the year.[3] Moreover, three other trends are exacerbating the drug affordability problem for the aged.

First, new (and, often, considerably more expensive) drugs to treat conditions that afflict many of the elderly are being brought to market. While the introduction of these drugs provide new hope for ameliorating various health conditions and *may* result in fewer hospitalizations, they increase the portion of seniors' incomes devoted to drug purchases.[4] Second, partially as a result of increased direct-to-consumer advertising by the major pharmaceutical companies, the volume of drug purchases is increasing significantly.[5] Third, as drug prices escalate, the demand for discounts by institutional purchasers of drugs (such as hospitals and HMOs) is increasing—thereby intensifying price pressures on those individuals who are unable to secure such discounts, especially seniors without insurance coverage. From 1996 to 1999, for example, the drug price differential for seniors with and without insurance coverage increased from 8 percent to 15 percent.[6]

As a result of the public's growing concern about the affordability of prescriptions for seniors, a number of proposals are being considered to extend drug coverage for the elderly. Conceptually, these proposals fall mainly into two categories. One approach would add prescription drugs on a voluntary basis *for all Medicare beneficiaries,* with special protections for the poor. Another approach would provide public subsidies only *to low-income seniors* for the purchase of private sector

drug coverage. Under this latter approach, subsidies typically taper off at 133 percent of the federal poverty line and end completely at 150 percent of poverty.

With prescription drug prices rising at twice the rate of inflation, limiting drug subsidization on a means-tested basis could be severely burdensome to moderate-income seniors. For example, a widow or widower with income at 150 percent of the federal poverty line only has $12,525 in annual income. Similarly, 150 percent of poverty for an aged couple is only $16,870 in annual income.

Seniors with incomes at 150 percent, or even 200 percent, of poverty often cannot afford the prescriptions they need. Two examples are illustrative—the first for a person with a gastrointestinal condition, the second for a senior afflicted with diabetes, hypertension, and high cholesterol.

For a widow or widower with a gastrointestinal problem, the drug most likely to be prescribed is Prilosec. Based on 1998 data from the Pennsylvania Pharmaceutical Assistance Contract for the Elderly (PACE) program (the largest outpatient prescription drug program for older Americans in the United States), Prilosec is the second highest of all the top-selling drugs prescribed for seniors. The annual cost for a senior with no drug coverage taking Prilosec (20 milligram, controlled release capsules) is $1,455. For a widow or widower subsisting at 150 percent of poverty ($12,525 of income per year), the annual cost of Prilosec alone will consume more than one out of nine dollars (11.6 percent) of that senior's total budget. Even at twice the poverty level ($16,700 per year), Prilosec will consume almost one out of eleven dollars (8.7 percent) of that widow or widower's total income.

Drug Name	Therapeutic Category	Annual Cost	Percent of Annual Income	
			150% of Poverty ($12,525/year)	200% of Poverty ($16,700/year)
Prilosec	Treatment for Acid Reflux	$1,455	11.6%	8.7%

The second example is a senior with no drug coverage who has diabetes, hypertension, and high cholesterol—three conditions that often occur in conjunction with one another. A widow or widower with these three conditions is likely to be treated with Glucophage, Procardia XL, and Lipitor. Annual costs for Glucophage

(500 milligram tablets) will be $708. Annual costs for Procardia XL will either be $521 or $901, depending on whether 30 milligram tablets or 60 milligram tablets are prescribed. The annual costs for Lipitor (10 milligram tablets) will be $686.

Thus, the total annual spending for a senior with diabetes, hypertension, and high cholesterol—for these three drugs alone—will range from $1,915 to $2,295. For a widow or widower subsisting at 150 percent of poverty, this expenditure will constitute from 15.3 to18.3 percent of that senior's total income. Even at twice the poverty level, these costs will consume from 11.5 to 13.7 percent of total annual income. These costs, therefore, are likely to cause significant economic hardships.

Drug Name	Therapeutic Category	Annual Cost	Percent of Annual Income	
			150% of Poverty ($12,525/year)	200% of Poverty ($16,700/year)
Glucophage	Treatment of Diabetes	$ 708		
Procardia XL 30mg/60mg	Treatment for Hypertension	$ 521 - 901		
Lipitor	Treatment for High Cholesterol	$ 686		
Total		$1,915 - $2,295	15.3% - 18.3%	11.5% - 13.7%

CONCLUSION

The cost of prescription drugs already places a heavy burden on older Americans. The steady escalation in these costs puts many seniors at risk of being unable to obtain the prescription drugs they need to maintain their health. Even for individuals with incomes significantly above the federal poverty line, the affordability of prescription drugs is a significant and growing concern. These older persons often fall through the cracks: They generally have too much income to quality for means-tested assistance, yet they can easily be impoverished just paying for their prescription drugs. Unless seniors gain access to prescription drug coverage in Medicare, increasing numbers of elderly Americans will find prescription drugs to be unaffordable.

APPENDIX: METHODOLOGY

This report updates the findings of our earlier report, *Hard to Swallow*. That report used data from the Pennsylvania Pharmaceutical Assistance Contract for the Elderly (PACE) program. PACE is the largest outpatient prescription drug program for older Americans in the United States. In 1998, 241,496 persons were enrolled in the PACE program, and the program filled 9,406,499 prescriptions. Because of its large size and abundance of claims data, the PACE database is commonly used to proxy the elderly's prescription drug use and expenditures.

Using PACE claims data for 1998 (the latest claims data available when we published *Hard to Swallow)*, we developed a list of the 50 top-selling prescription drugs used by older Americans and ranked them by number of prescriptions issued.[3] Price histories for the 50 top-selling drugs in the PACE program were obtained from Price-Chek PC, a database published by Medispan/First DataBank. The price indicator used in *Hard to Swallow* and this update is the average wholesale price (AWP), the price that drug manufacturers suggest that drug wholesalers charge pharmacies.

It is sometimes suggested that the AWP is not an accurate measure of drug prices paid by consumers because so many of those consumers enjoy discounts that have been negotiated by managed care organizations or other bulk purchasers of pharmaceuticals. Most older Americans, however, cannot negotiate such discounts. In fact, because most older Americans must pay retail prices at pharmacies, they pay *more* than the AWP, not less.

Another commonly used measure of drug prices is the wholesale acquisition cost (WAC), the price that wholesalers pay manufacturers. Although data given in *Hard to Swallow* and this update were calculated using the AWP, calculations using the WAC showed similar trends.

Hard to Swallow and this update both use weighted averages in calculating annual price increases for the entire list of top-selling drugs. That is, before averaging, the price of each drug is multiplied by a factor that represents the drug's percentage of total sales of all drugs on the list for a given year. This adjustment is made to ensure that the price trends reported accurately reflect the cost of drugs older people use most often.

ENDNOTES

[1] Families USA, *Hard to Swallow: Rising Drug Prices for America's Seniors* (Washington, DC: Families USA, November 1999); see also, Families USA, *Worthless Promises: Drug Companies Keep Boosting Prices* (Washington, DC: Families USA, March 1995).

[2] In this report, the term "drugs" refers to drug products packaged and distributed by the manufacturer. Two items that have the same chemical make-up and bear the same name are listed as separate drugs (drug products) if they are made in different dose forms and/or packaged in different quantities.

[3] Bruce Stuart, Dennis Shea and Becky Briesacher, *Prescription Dugs for Medicare Beneficiaries: Coverage and Health Status Matter* (New York, NY: The Commonwealth Fund, January 2000).

[4] Peter J. Neumann, Eileen A. Sandberg, Chaim M. Bell, Patricia W. Stone, and Richard H. Chapman, "Are Pharmaceuticals Cost Effective? A Review of the Evidence," *Health Affairs* 19, no. 2 (March/April 2000): 92-109.

[5] Michael S. Wilkes, Robert A. Bell, and Richard L. Kravitz, "Direct-to-Consumer Prescription Drug Advertising: Trends, Impact, and Implications," *Health Affairs* 19, no. 2 (March/April 2000): 110-128.

[6] Department of Health & Human Services, *Prescription Drug Coverage, Spending Utilization and Prices* (Washington, DC: Department of Health & Human Services, April 2000).

[7] A second list of the 50 top-selling PACE drugs was developed using both expenditures and volume of claims. The blended list produced most, but not all, of the same drugs. Both lists, however, produce the same overall trends in drug price increases.

CREDITS

This report was written by:

Amanda McCloskey

Director of Health Policy Analysis, Families USA

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

Ron Pollack, Executive Director

Peggy Denker, Director of Publications

Nancy Magill, Production Assistant

Special Thanks to:

Stephen W. Schondelmeyer, Pharm.D., Ph.D.,

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