

Industry News, From the PHP Team

# You May Be Paying Too Much for Prescriptions



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*How to leverage your pharmacy benefits and save money.*



When you go to the pharmacy to fill a prescription and present your health insurance card, do you assume you're getting the lowest price? If so, you may be paying too much.

With rising healthcare costs we have to be more conscientious about how we spend healthcare dollars and one way to do that is by checking the costs of prescription drugs

before heading to the pharmacy. Shopping around for prescriptions is a great way to educate yourself on drug costs and become a smart healthcare consumer. Drug prices can vary from pharmacy to pharmacy and sometimes -- especially with generics — the price can be even less than insurance co-pays. By double-checking pricing before purchasing medications you'll become a smart consumer and be a part of the solution to the rising cost of healthcare. You'll be glad you took a moment to shop around!

Read on for practical information on how to get the most from your prescription drug benefit and leverage prescription drug programs.

## Why do prescription drugs cost so much?

According to a **2024 RAND study** sponsored by the Office of the Assistant Secretary for Planning and Evaluation in the U.S. Department of Health and Human Services, prescription drug prices in the United States are 2.78 times those seen in 33 other nations. Prescription drug spending in the United States accounted for more than 10% of all healthcare spending and, between 2000 and 2020, drug spending rose by 91%.

Brand-name drugs are the primary driver of the higher prescription drug prices in the United States. This is due to multiple factors, including testing (clinical trials) to meet stringent U.S. regulations and assure safety and exclusive distribution by only one manufacturer. Testing is expensive and manufacturers pass on some costs to consumers. Many of the most-expensive medications are those seen advertised on television. Advertising these medications on broadcast television and in print media is expensive and manufacturers pass on some of these advertising costs, as well.

## Make the most of your prescription healthcare dollars with generic medications

The good news is that the RAND study found prices for unbranded generic drugs slightly lower in the United States than in most other nations. Unbranded generic drugs account for 90% of drugs sold in the United States by volume, yet only 8% of U.S. spending by volume.

We encourage members to find the lowest out of pocket cost for their prescription drugs by checking prices and confirming the availability of unbranded generic drugs which can offer huge cost savings.

If you are interested in a generic alternative, ask your doctor about options. When your doctor prescribes a medication, they may or may not have a preference for generic options. If they know **YOUR** preference is a generic option, they can make the best recommendation to replace a brand-name drug.

Generic medications are just as effective as brand-name drugs. According to the FDA, drug makers must prove that generic medications can be substituted for brand-name drugs and offer the same benefits as their brand-name counterparts. You can be assured that by taking a generic drug for a brand-name option, you'll get the same effect.

Generic drugs have been around a long time, they have been studied and proven safe and effective, and they are usually much less expensive than brand name products.

## **Shop and compare pricing before purchasing a medication**

Keep in mind that PHP negotiates upfront for the best pricing on prescriptions and includes these negotiated prices in our plans. Our goal is to make your plan and your prescriptions as affordable and accessible as possible.

If you are purchasing medication from a local or neighborhood pharmacy, check to see what opportunities you have for savings. Most pharmacies have their own discount pharmacy and/or membership plan that offers special savings and or accumulated discounts. Larger retail stores also have their own generics which are comparable to brand-name products.

For instance, Meijer and Kroger both offer pediatric, pain relief, digestive, and allergy relief medications in a store brand product. These medications offer the same benefits as national brand counterparts. Specific options for substitutions can be found on Meijer's website with a convenient over-the-counter product comparison.

Costco and Sam's Club discount warehouses also have in-house pharmacies and now offer mail-order or in-warehouse pick services. Through their high-volume they are able to offer significant savings on specific brands and products.

## **Getting vaccinated at a pharmacy or health center can eliminate the need for an office visit**

People don't consider vaccinations as a pharmacy benefit, but vaccinations are medications used to prevent illness and disease. Take advantage of vaccine options, to further your pharmacy benefits.

Many local pharmacies offer most recommended vaccines for adults, as well as some travel vaccines. If you plan on getting vaccinated at a pharmacy, consider calling ahead to:

- Find out if the pharmacy has the vaccine you need. This is an especially good idea if you need a travel-related vaccine.
- Ask what you will need to pay. Many vaccines are covered by health insurance. But if you don't have insurance, try calling a few pharmacies and ask what they charge for vaccines. (*prices can vary*)

## **Online pharmacy discount programs**

Discount programs like **GoodRx** can help consumers save by helping to locate the best price for medications in their geographic region.

GoodRx is an online resource (and mobile app) that can locate pricing for medications in pharmacies close to you so you can compare prices and decide where to purchase your medication. GoodRx helps you find the lowest prices possible and does the comparison shopping for you.

To find the cheapest price for your medication close to you, visit **GoodRx.com** or use the mobile app and type in the drug name, strength, and dose.

You'll receive a list of the lowest prices available at pharmacies near you, so you can pick your medication up at a convenient and cost-effective location. If you've been going to the same pharmacy for years, it's important to check GoodRx before you leave the house because there may be better options at different locations.

## How to transfer a prescription to a new pharmacy

If you've found a better price for your medication at a different pharmacy, don't be reluctant to transfer the prescription. You may think transferring your prescription is a pain, but it's easier than you think. Follow these three steps to make the process move more quickly.

### 1. **Contact the pharmacy where you want the prescription filled**

With your permission and request, the new pharmacy can fill your prescription. Make sure to provide the name, strength, and doctor's name that prescribed the medication. You can do this by phone, in person or online if the new pharmacy offers website transfer services.

### 2. **Provide your personal, health, and health insurance information**

The new pharmacy will need basic information about you, like your first and last name, date of birth, address, and allergy information. Also your insurance plan number and member ID.

### 3. **Be patient**

Remember, the "prescription" is written directions that authorizes you to receive a specific medication. When changing pharmacies, the instructions must be transferred before the new pharmacy can fill the order. Make sure you plan ahead for this delay. You should count on 1-3 days before you are able to pick up refills on your prescription to allow for this transfer. Some pharmacies offer "alerts" that tell you when your prescription is available for pickup.

## Be a good healthcare consumer

Prescription medications can be costly depending on the type of drug, frequency of refills, and where you choose to purchase them. Use simple strategies to shop around, plan ahead,

and find the best options for you and your pocket.

Take time to understand the basics of your health benefit plan, your deductible and what your out-of-pocket expenses are. Talk to your doctor about generic options, and shop around for the best price

*Sources:*

*Cost Reference: **RAND**  
GoodRx Reference*