

# R&E Current Event Seminar: Medication Prices Rising

Start Time: 6:10 pm

End Time: 6:55 pm

## Background Information

- The prices of drugs including OTC (over the counter) and prescribed education have been increasing
- Insurance makes drugs obtainable, however, the original price of drugs is rising
- Inflation is not only the reason because prescription drug prices are increasing faster than wages, gas, food, and tuition

## Article 1

- Survey: 44 percent of Americans Worry That Medication Prices Could Lead to Increased Debt
  - Nearly 3 in 10 individuals who take prescription drugs said they had difficulty paying for food or housing in the past year because of high-cost prescription medications
  - Ways to save on their prescription medication
    - Generic alternatives at 50 percent
      - Drugs other than brand name medications
    - Discount programs at 30 percent
    - 90-day supply at 30 percent
  - Some believe that mail-order pharmacies would help reduce drug prices
    - Mail-order pharmacy: your prescriptions are filled and directly sent to your house

## Discussion 1

- Have you heard of mail-order pharmacies? Do you think mail-order pharmacies can replace regular pharmacies?
  - Student A: Worked at pharm tech, have delivery for patients that order through the app and send through the app, the mail order is another company the fills it and send it to you
  - Student B: In retail pharmacy, getting it from the retail pharmacy and then sent to your house, but mail-order pharmacy is straight from one company to your house
  - Student C: Getting rid of pharmacy is not a good idea, some have not technological knowledge and mail-order pharmacy may potentially open up to error
  - Student D: Cannot replace regular pharmacy, can't catch bad drug interactions, questions won't be answered from mail-order pharmacy
  - Student E: Cannot replace regular pharmacy, there is an issue of drugs not arriving on time
  - Student F: May have conflicting medication properties that are taken within knowing. Regular pharmacies allows one to listen to how to take the drug.
  - Student D: Even if mail-order pharmacy does reduce the drug prices, it may still not be affordable to everyone
- What are the pros and cons of using mail-order pharmacies?
  - Student A: Very efficient in getting what you know you need.
  - Student B: It helps for those with busy lifestyles. When they cannot find to go to pharmacies, they can just get orders.
  - Student C: Gas prices have been increasing, with mail-order pharmacy, gas expenses can be reduced.
  - Student D: If you have disability, then having the drug mailed to you would be more easier.
  - Student E: Confirmation email can be used to improve mail-order pharmacy so a pharmacist can help on the other side.
  - Student F: A lot of people who get medications are on the older side, thus, they have trouble with technology. Suggested a phone call for the patients.

## Article 2

- Congress is about to act on drug price reform. Here's what you need to know
  - Inflation Reduction Act in 2022
    - Lower energy costs and healthcare costs
  - Starting next year, if drug companies raise the prices of their drugs faster than inflation,

they'll have to pay a rebate to Medicare

- Will discourage drug companies from constantly hiking prices
- Companies want to prevent paying extra money, so they will not increase the prices unreasonably
- Preventing drug prices from increasing will limit the profits from growing, so fewer medicines will be developed (due to less incentive of developing new drugs)

#### Discussion 2

- How much should the government have control over drug prices?
  - Student A: Should have a good amount of control. For example, insulin prices have been rising, government should intervene from the price from rising too much. But it gets difficult on deciding on how much they should intervene.
  - Student B: Drug development process can be through government assistance or through private assistance, there is a variable amount of intervention that the government participates. Price varies, if drug prices are prevented from increasing, then will cause a lower amount of new drugs of being developed. Other countries have more government involvement in developing drugs and pricing the drugs.
  - Student C: If the government had more control, then they can possibility pay the companies to do these research.
  - Student D: There can tax deductions. No matter how much government intervene, it will effect the research and development of the companies.
- Can you think of a way to keep drug price low, but increase research and development?
  - Student A: Generally speaking, there is an incentive to target conditions with more serious conditions (e.g. cancer). The government may spend more money on a certain condition.
  - Student B: As a capitalist economy, it causes the high amount of drug prices. It is difficult to create a solution for this.
  - Student C: A lot of the money spent by the government are not on healthcare.
  - Student D: The monopoly of the brand name drugs over the generic drugs will cause high payment of medications. Thus, competition between other companies would not necessary work.
  - Student E: Lots of factors being insurance companies, pharmacies, and the government.

#### Article 3

- Why Prescription Drug Prices in the US Are So High
  - Americans spend more on prescription drugs than anyone else in the world
    - Average costs are about \$1300 per person per year
    - Mainly due to the higher medications prices which are continuing to steadily raise drug list prices around 5 percent a year
  - The US doesn't directly regulate medicine prices unlike other countries
    - Ex. Europe allows government to directly negotiate with drugmakers to limit what their state-funded health systems pay
    - In the US, drug companies set prices mainly on what the market can bare and private payers tend to rely on third-party insurance companies which limits their choices for drugs

#### Discussion 3

- How does the US drug market compare to international drug markets?
  - Student A: The UK system is good if they can control everything and not only the price.
  - Student B: Europe has some capitalism properties. In the US, the free market and free economy causes people to work for themselves.
  - Student C: International drugs are less researched compared to US drugs. They may not be as affective as US drugs.
  - Student D: Some other generation may trust the traditional medicines more. Incorporate both the western and eastern medication.
- What may be some pros and cons about the US market?
  - Student A: Since so much money is going into the system and then put back into the system to continue research. The more money put in, the more money put out. More government control needed to decide on pricing.
  - Student B: Health system is broken, not everyone gets insurance or have insurance.
- Any potential ideas on how the US may be able to improve their drug pricing with third party/

**insurance conflicts or methods they could pull from international drug markets?**

- **Student A: The US launched a Medicare where people over the age of 65 can afford the drugs.**
- **Student B: The UK refuse to pay for some cancer drugs. Outside market may be able to pay in.**