

Talking Points: Drug Pricing



The Numbers

- The United States spends as much as \$672 billion annually on medication problems, including medication non-adherence.¹
- The care of chronic diseases accounts for \$1.7 trillion in health care expenditures² and 91 percent of all prescriptions filled.³
- Almost 50 percent of people prescribed medications for chronic diseases do not take their medications correctly.⁴
- Nearly 70 percent of Americans take at least one prescription drug and over 50 percent of Americans are on at least two prescription drugs.⁵
- The number of Americans aged 65 years and older is projected to increase 36 percent by 2020.⁶

Pharmacists Can Help

Pharmacies are where millions of Americans are first exposed to the impact of intricate pharmaceutical pricing policies or confronted with changes in coverage, formularies, prior authorization, deductibles and co-payments, many of which they did not know or understand. Pharmacists are also the ones at the front lines of patients facing tough financial choices between medicine and other necessary items or the risk of forgoing them.

Pharmacists Provide Patient Care Services for Better Outcomes

Patients across the United States are receiving better care and achieving better outcomes from pharmacists' patient care services. Examples of pharmacists' services include: coordination of medications during care transitions, comprehensive medication reviews and monitoring, chronic disease prevention and management, wellness services, and patient education. Additionally, to address hospital readmissions, pharmacists help patients transition between care settings.

Medicare Does Not Cover Pharmacist Patient Care Services

Pharmacists have more medication-related education and training than any other health care professional. Unfortunately, despite the fact that many states and Medicaid programs are turning to pharmacists to increase access to health care and address medication-related costs, Medicare Part B does not cover the services pharmacists can provide. Pharmacists are trained to do more than place medication in a container and while 89 percent of Americans live within five miles of a community pharmacy⁷, many of our nation's seniors are medically underserved. Pharmacists are an underutilized health care resource which can positively affect beneficiaries' care and the entire Medicare program.

Congress Can Help

- APhA recommends that HHS and Congress consider mechanisms to better utilize pharmacist services to optimize medication use. Without doing so, medication value will not be accurately assessed, and costs associated with adverse events or misuse will be shifted to other segments of the health care system. Drug pricing policies should be adopted that incorporate pharmacists to increase the value of medication regimens and consider drug costs in the context of a patient's entire care.

¹ Watanabe, Jonathan H. Et. al. Cost of Prescription Drug-Related Morbidity and Mortality. *Annals of Pharmacology*. First Published March 26, 2018. Available at: <http://journals.sagepub.com/sprint/ic2iH2maTdi5zfNSiUay/full>

² Updated data from: Waters, Hugh and Ross DeVol. *Weighing Down America – The Costs of Obesity in the U.S.* Milken Institute. Santa Monica, CA. 2016. Available at: <https://assets1c.milkeninstitute.org/assets/Publication/Viewpoint/PDF/Chronic-Disease-Executive-Summary-r2.pdf>

³ Partnership for Solutions. *Chronic Conditions: Making the Case for Ongoing Care*. September 2004 Update. Available at: <http://www.partnershipforsolutions.org/DMS/files/chronicbook2004.pdf>

⁴ Brown, Marie. Et. al. Medication Adherence: WHO Cares? *Mayo Clin Proc*. 2011 Apr; 86(4): 304–314. doi: 10.4065/mcp.2010.0575. Available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3068890/>

⁵ Prescription Drug Use Continues to Increase: U.S. Prescription Drug Data for 2007-2008. Available at: www.cdc.gov/nchs/index.htm

⁶ Ortman, Jennifer. Et. al. *An Aging Nation: The Older Population in the United States Population Estimates and Projections*. U.S. Census. Issue May 2014. Available at: <https://www.census.gov/prod/2014pubs/p25-1140.pdf>

⁷ NCPDP Pharmacy File, ArcGIS Census Tract File. NACDS Economics Department.

- APhA strongly believes **H.R. 592/S. 109, the Pharmacy and Medically Underserved Areas Enhancement Act**, is a bipartisan legislative proposal that will improve patient care, health outcomes, the impact of medications and consequently, the viability of the Medicare program.

Patient/ Supply Chain Safety

Drug importation is not the solution to the complex issue of drug pricing and patient access to affordable and cost-effective medication. APhA supports efforts to increase patients' access to appropriate, safe, effective and affordable prescription medications. We believe proposals to legalize importation of non-FDA approved drugs is in direct conflict with recent efforts by Congress and federal agencies to increase the integrity and security of the U.S. drug supply chain and improve patient safety.