Lowering Prescription Drug Costs

Stan Dorn, Senior Fellow
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With Drug Costs, America is an Exceptional Nation

Drug costs per capita, G-7 countries

Source: OECD 2018.
Examples

• Gleevec (leukemia drug)
  – U.S. release, 2001: $4,540 per month
  – 2016
    • $8,500 a month in the U.S.
    • $4,500 and $3,300 in Germany and France

• Epi-pens: $160 to $600

• Daraprin, post acquisition by Turing:
  $13.50 to $750
Background

- Profit margins
  - 28% for brand-name-drug manufacturers
  - 16% for generic manufacturers
- 10-year growth rate for 15 largest drug companies has been more than twice that of the S&P 500
- Insanely complex business chains, much of it hidden from view
- Public funding for research harnessed for private profit, without public disclosure of full results
- Manipulation to preserve monopoly rights
Workers pay more costs out-of-pocket

Percentage of covered workers who have deductibles, and average deductibles for single coverage

Source: Kaiser Family Foundation 2017.
Across party lines, Americans support bold action

Public support for various policies, by party identification

Source: Kaiser Family Foundation 2017.
Goals involving cost

• Delivering a public return on public investment
• Preventing patent abuses
• Ensuring fair and affordable prices
• Building a foundation of transparency
Conclusion

- Serious problems
- Public support creates an opportunity to build towards major, national change
- State-level action is crucial