

Rx Price Watch

Era of Consistent Generic Drug Price Decreases May Be Ending

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- In 2013, retail prices for 280 widely used generic prescription drugs fell by an average of 4.0 percent. In contrast, the general inflation rate was 1.5 percent over the same period.
 - While generic drug prices have been consistently decreasing over the past several years, the average annual generic drug price decrease in 2013 was the smallest decrease since at least 2006.
- All but 2 of the 280 generic prescription drug products in the study's market basket had retail price changes during 2013; 203 drug products experienced a price *decrease* and the remaining 75 experienced a price *increase*.
 - Eleven widely used generic drug products had retail price increases that were greater than 30.0 percent in 2013.
- The average annual cost for one generic medication used on a chronic basis was more than \$280 in 2013.
- The recent price changes for generic drug products may be signaling that the era of consistent drug price decreases for generic drug products is coming to an end.
- Understanding what is driving the recent retail price increases for some generic prescription drugs, as well as how these factors might be mitigated, will become more important as more brand name drugs and biologicals enter the market with unusually high prices.

This Rx Price Watch is a summary of the report *Trends in Retail Prices of Generic Prescription Drugs Widely Used by Older Americans, 2006–2013*.

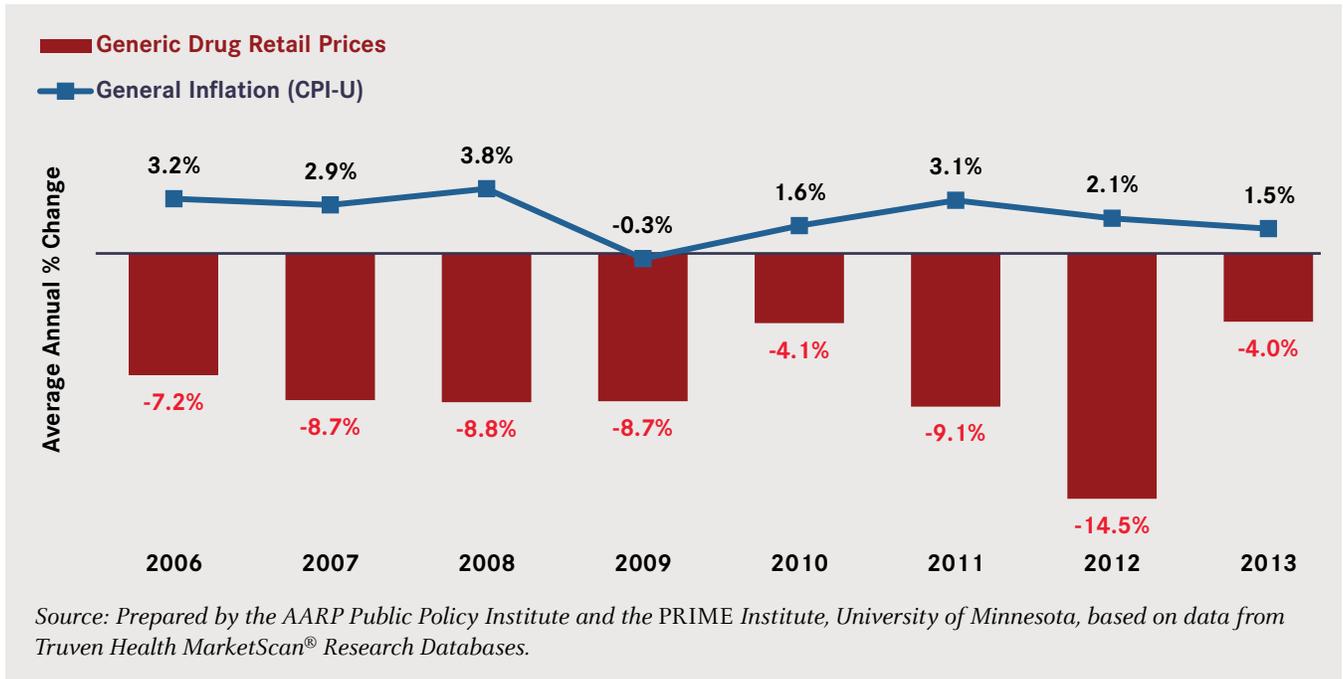
To view the full report, visit:

<http://www.aarp.org/rxpricewatch>.



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Average Annual Generic Drug Prices Declined at the Slowest Rate in at Least 7 Years in 2013



Summary of Rx Price Watch 2015-06,
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