Specialty Prescription Drug Prices Continue to Climb

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- In 2013, retail prices for 115 widely used specialty prescription drugs increased by an average of 10.6 percent. In contrast, the general inflation rate was 1.5 percent over the same period.

- The average annual price of therapy for specialty prescription drugs was 18 times higher than the average annual price of therapy for brand name prescription drugs and 189 times higher than the average annual price of therapy for generic prescription drugs.

- The average annual cost for one specialty medication used on a chronic basis was more than $53,000 in 2013. This cost was
  — Greater than the median US household income ($52,250),
  — More than twice the median income for Medicare beneficiaries ($23,500), and
  — Almost three and a half times higher than the average Social Security retirement benefit ($15,526).

- Prescription drug price increases also affect employers, private insurers, and taxpayer-funded programs like Medicare and Medicaid. Spending increases driven by high and growing drug prices will eventually affect all Americans in some way.

- Those with private health insurance will pay higher premiums and cost sharing for their health care coverage. Over time, it could also lead to higher taxes and/or cuts to public programs to accommodate increased government spending.

- If these trends continue, older Americans will be unable to afford the specialty prescription drugs that they need, leading to poorer health outcomes and higher health care costs in the future.

- Policy makers interested in reducing the impact of prescription drug prices should focus on options that support innovation while also protecting the health and financial security of consumers and taxpayer-funded programs like Medicare and Medicaid.

This Rx Price Watch is a summary of the report Trends in Retail Prices of Specialty Prescription Drugs Widely Used by Older Americans, 2006 to 2013. To view the full report, visit: http://www.aarp.org/rxpricewatch.
Specialty Prescription Drug Prices Are Considerably Higher than Other Prescription Drug Prices

<table>
<thead>
<tr>
<th>Year</th>
<th>Generic Price</th>
<th>Brand Name Price</th>
<th>Specialty Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$55</td>
<td>$2,068</td>
<td>$2,317</td>
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<tr>
<td>2011</td>
<td>$341</td>
<td>$2,317</td>
<td>$43,697</td>
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<tr>
<td>2012</td>
<td>$283</td>
<td>$2,596</td>
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<tr>
<td>2013</td>
<td>$283</td>
<td>$2,960</td>
<td>$53,384</td>
</tr>
</tbody>
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Source: Prepared by the AARP Public Policy Institute and the PRIME Institute, University of Minnesota, based on data from Truven Health MarketScan® Research Databases.