

RISING RX PRICES AND OLDER ARIZONANS

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Introduction

- Introduction to Rx Prices in America
- Trends in Rx Prices
- Impact on Our Older Population
- Potential Solutions, AARP's Efforts, & Pitfalls
- *Disclaimer*

Introduction to Rx Prices in America

- The U.S. Pays the most for Rx drugs around the globe
- Researchers have deemed a term for it: American Premium
- The international community pays less than half (41%) for the same drugs as U.S. consumers
- As a result, companies are able to pay their global R&D budget off of the backs of American consumers and then some

Introduction to Rx Prices in America (Con't)

- Of the 210 new drugs introduced from 2010-2016, each one had received federal funding from the NIH
- Other Industries in Play:
 - Pharmacy Benefit Managers (PBMs)
 - Insurance Companies

Introduction to Rx Prices in America (Con't)

- Common Misconception: Older drugs are cheaper
- Cheaper, generic drugs are not always created for a couple of reasons:
 - Pay-for-Delay Agreements
 - Biologics: Changes to the drug's formula
 - Insulin

Trends in Rx Pricing

- Constant increases in brand name medications since before the pandemic and vastly outpace inflation
 - Between 2015 and 2019, the Top 50 Medicare Part D drugs saw an increase of \$38 Billion above inflation
 - We have already seen drugs outpace inflation in 2022
- Before the pandemic, we saw the cost of generics actually go down

Impact on Older Arizonans

- Older folks across the country take an average of 4.5 medications
- In 2016, the average Medicare recipient paid \$5,460 in out of pocket expenses
 - This will continue to go up with the cost of drugs continuing to rise
- The average social security check in Arizona is \$1,550/month

Impact on Older Arizonans

- This forces people to make difficult choices when it comes to their other financial matters, especially with inflation this year
- Seniors are the fastest group experiencing homeless, most of whom are doing so for the first time
- The buses of people that go to Mexico/Canada to buy drugs

Potential Solutions & AARP's Efforts

- AARP Campaign – Stop Rx Greed
- Federal:
 - Allow Medicare to Negotiate for Lower Rx Prices
 - Cap Out of Pocket Costs
 - End Pay-for-Delay Agreements
 - Inflation Cap
- State:
 - Implement Drug Affordability Boards to Negotiate for State plans

Pitfalls

- Pitfalls
 - Cost Shifting Measures
 - Transparency Concerns
- Solution: Lower the *Actual* cost of the drug

QUESTIONS?

