

## New Survey Shows Uninsured Americans Pay 60 Percent More for Prescription Drugs

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**Contact:**

Paul Brown  
(202) 546-9707

WASHINGTON—Uninsured consumers are charged sixty percent more for common prescription drugs than the drug companies charge the federal government, according to a new U.S. Public Interest Research Group (PIRG) report released today. In Washington, D.C., uninsured consumers are charged nearly 65 percent more.

In the spring of 2006, the state PIRGs surveyed more than 600 pharmacies in 35 cities—including Washington, D.C.—to determine how much uninsured consumers pay for ten drugs as compared with prices paid by the federal government, which uses its buying power to negotiate with drug companies for lower prices.

In the survey, Boston drug stores charged the highest prescription drug prices to the uninsured. Representative Edward J. Markey (MA) joined U.S. PIRG to release the report at a Capitol Hill press conference and noted that uninsured consumers in Boston are charged 73 percent more than the federal government pays for the same drugs.

Rep. Markey, a senior member of the House Energy and Commerce Committee, said, "PIRG's study shows what happens when the federal government won't step in to ensure that Americans have access to prescription drugs. The Veteran's Administration effectively negotiates with drug companies to keep the price of prescriptions low for millions of veterans by buying in bulk. But the 45 million Americans who don't have insurance don't have anyone looking out for their drug costs and are left to fend for themselves. The prescription drug system is broken and it is long past the time for the federal government to help the uninsured avoid choosing between buying the drugs they need and paying for their rent or food."

While many studies have focused on the impact of high drug prices on senior citizens, U.S. PIRG's survey examined the prices uninsured consumers are charged for a range of prescription drugs widely used by Americans under 65, such as antibiotics, allergy medication, anti-depressants, and cholesterol-lowering medication.

Among the survey's key findings:

- Nationally, in the 35 cities surveyed, uninsured consumers are charged 60 percent more on average than the federal government pays for same drugs and twice as much as they would pay at a Canadian pharmacy.
- In 2004, U.S. PIRG released a similar study of prescription drug prices. Looking at the nine drugs surveyed both in 2004 and 2006, the average price paid by uninsured consumers nationally increased by 11 percent, faster than the general rate of inflation over the two-year period.
- In Washington, D.C., uninsured consumers are charged 64.5 percent more than the federal government pays for the same drugs, ranking the city 8th out of the 35 cities surveyed. The cholesterol-lowering drug Lipitor costs more in the nation's capital than in any other city surveyed.
- The uninsured in Washington, D.C. are charged more than twice as much for their medications at local drug stores as they would pay at a Canadian pharmacy. The hormone replacement drug Premarin costs 550 percent more at Washington, D.C. drug stores than it would at Canadian pharmacies, more than six times the price.

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“When more than 40 million uninsured and countless more underinsured Americans go it alone at the pharmacy, they pay an unacceptably high price for their medications,” said U.S. PIRG Consumer Advocate Paul Brown.

“With more than 40 million uninsured Americans and millions more who are underinsured, this is a huge and costly problem.”

U.S. PIRG called for increasing the availability of low cost generic drugs by closing loopholes that allow drug makers to extend their patents and tightening oversight of drug makers’ marketing tactics, which drive up demand for the newest and more expensive drugs regardless of effectiveness. U.S. PIRG also supports establishing prescription drug buying pools at the state level to allow individuals (including the uninsured), businesses and the government to use their combined buying power to negotiate lower drug prices with manufacturers.

“Getting generic drugs on the market faster and forming buying pools are common sense solutions that will almost immediately lower prescription drugs costs to the millions of hard-working Americans who are uninsured or underinsured,” concluded Brown.

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*U.S. PIRG is the national lobby office for the state Public Interest Research Groups. State PIRGs are non-profit, non-partisan public interest advocacy organizations.*