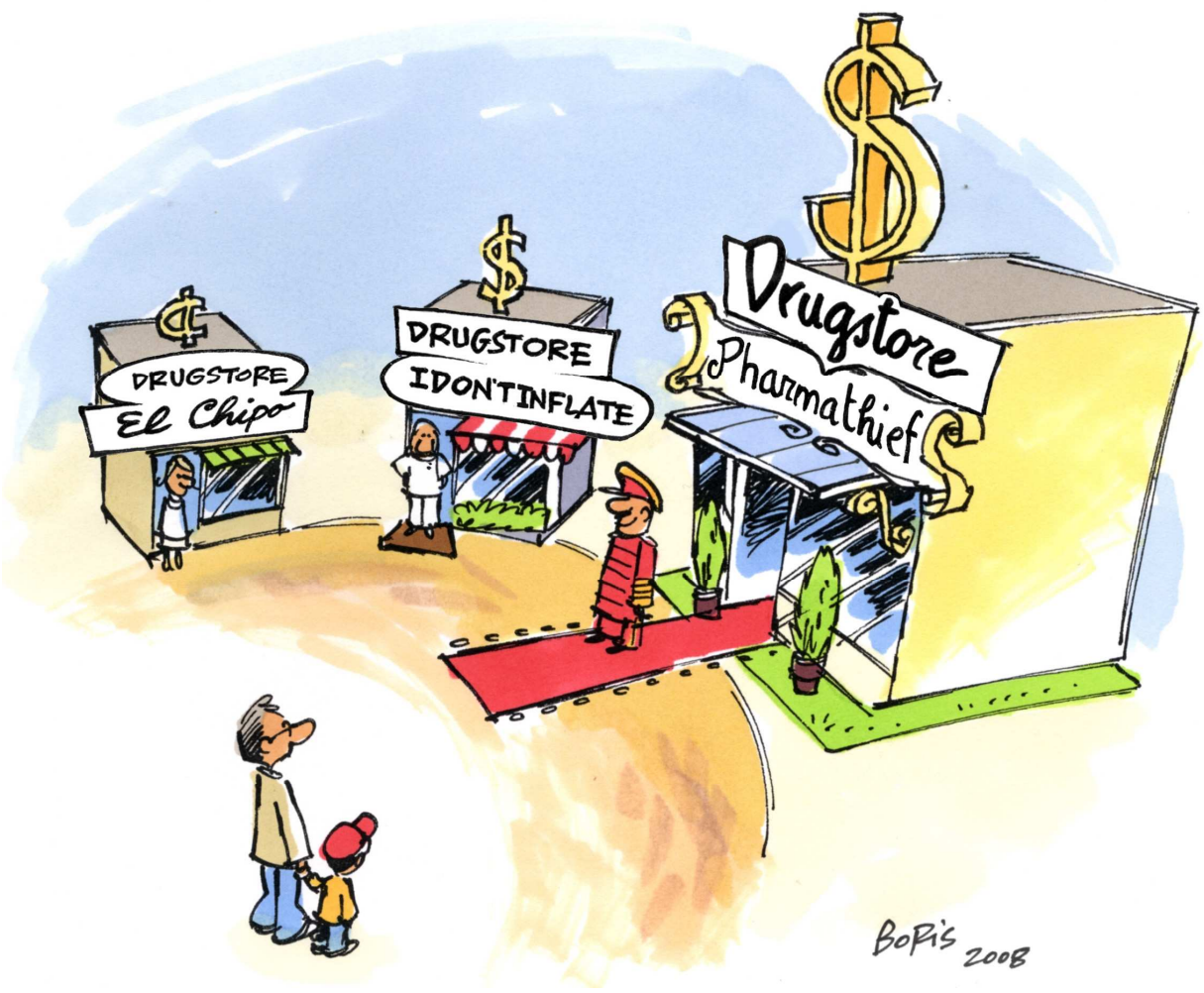
Pills are getting so expensive – what can you do about it?



Our prescription drugs cost too much. There are a lot of people dipping into your wallet before you get the pill you need to get or stay healthy.

First of all, there are the pharmaceutical companies that are constantly raising their prices and raking in huge profits.

There is also your pharmacist, who is both a professional and a retailer: is what he charges you for drugs always justified?

The Québec government is no help in bringing down the cost of drugs, because it doesn't have any control over the price paid at the drug store for medications covered by private insurance plans. In contrast, the prices of drugs in the public system are standardized and negotiated centrally, and as a result, prices are lower than what we pay with our private plan.

In seven years, our insurance premiums have doubled. In percentage terms, they are rising five times faster than our pay does.

But there are steps we can take to reduce our personal spending on drugs. If we collectively adopt better habits as consumers, it will have an impact on the cost of premiums for our group insurance plan.

Four ways to save

- Use generic drugs

  Ask whether there is a generic drug that can replace the prescribed medication. Generics are just as effective and cheaper.

- When the CSST is supposed to pay

  Drugs that are prescribed in relation to a workers' compensation case are supposed to be reimbursed by the CSST.

  You shouldn't have to pay if you are injured on the job or become sick as a result of your work.

  Drugs reimbursed by the CSST mean fewer expenses charged to our group plan, and so ultimately lower premiums.

- Physicians under the influence…

  Too many doctors have become dependent on the drug companies for their training, and this can influence their choices and distort how they practise medicine.

  As patients, we can tell our physicians that we want to take the drug that is the most appropriate for our condition, and that we prefer a less expensive drug when it is just as effective.
- Choose your pharmacist

  You choose your pharmacist on the basis of the quality of his or her advice, but you can also question the prices charged.

  Shopping around for your drugs can save you up to 40%.

We pay a lot and our employers pay almost nothing

Contrary to what happens in the private sector, where it is common for employers to pay half of the premiums for drug insurance, employers in the public health and social services sector pay only a tiny share of the cost – less than 10% of the premium.

FSSS-CSN complementary family plan

Annual cost	
2000	$814.73
2007	$1,536.65
2008	$1,713.41

Answer the following question:

Lipitor is one of the drugs reimbursed the most by our group insurance plan. In your opinion, how much does a pharmacist charge an FSSS member for a prescription for 30 pills?

$1.10 $4.09 $5.44 $8.45 $11.90

Answer: All of these answers are right.

OUR INSURANCE PLAN IS OUR COLLECTIVE WALLET!

A few ways to reduce costs

Article by Stéphanie Grammond, published in *La Presse,* Sunday, February 17, 2008

Shop around for the drugs you need

“Has it gotten to the point where we have to shop around when buying medications? Yes!” says Johanne Brosseau, from AON Conseils. This doesn’t mean choosing your pharmacy on cost alone. You first have to take into account the services it offers and the importance of good relations with the professional.

Then get a quote on the cost of all the drugs you need from several pharmacies. Choose the one that has the best overall price.

Some pharmacies have policies of loss-leader prices on a few prescription drugs. But they make up for it on other drugs, explains Pauline Ruel, an independent pharmacological consultant to insurance companies.

“But the last thing you want to see is a customer buying five drugs in five different pharmacies,” says Ms. Brosseau. The pharmacist must be able to monitor everything you’re taking.

Make generics your preferred choice

The public plan obliges the people it insures to move to the less expensive generic version when a proprietary drug has been on the market for more than 15 years. If they continue to purchase the original version, they are reimbursed on the basis of the cost of the generic drug.

Take someone who suffers from depression. He walks into a pharmacy and asks for Prozac, which costs $1.64 per capsule, compared to $1.01 for the generic drug. He will have to pay the extra 63 cents out of his own pocket, explains Janine Matte.

Private insurers can’t force people to use generics. But there is nothing to prevent the insured person from choosing the least expensive drug.

Nonetheless, the savings from substituting generic products are not huge, because lots of medications don’t have a generic version, emphasizes Gilles Dufresne, a consultant with Mercer.

Generic substitutions within a given therapeutic class provide much more substantial savings.

“For example, Zocor is an equivalent for Lipitor, the drug purchased most by Quebecers right now,” he said. “Both of these help lower cholesterol; there is no generic version of Lipitor, but there is for Zocor – Simvastatin.”

Right now, though, the pharmacist can’t substitute one medication for another within a given therapeutic class without the physician’s consent. So the patient has to raise the question in the doctor’s office. …

Ask the physician to consider costs

A patient can ask the doctor to take costs into account, and to avoid “therapeutic shifts.” This happens when doctors prescribe a new patented drug instead of migrating to the less expensive generic version of an older drug that has proven its worth.

“Greater use of the most recent and expensive product is an observed trend and a major cause of rising costs,” according to the 2007-2010 strategic plan of the Conseil du medicament (Drug council).

Purchase enough to last longer

The guidelines from the Ordre des pharmaciens du Québec indicate that a pharmacist should fill a prescription for 30 days. But it can be for much longer if the prescription allows for it, says Ms. Brosseau.

When renewing a prescription for 90 days, the pharmacist charges just one dispensing fee instead of three. But you shouldn’t purchase for more than three months at a time, to avoid wasting drugs if the prescription changes.

Be a smart consumer

“People should be better informed as consumers. They don’t realize the cost of the drugs they take,” commented Ms. Matte.

“It’s easier to take a pill than to change your behaviour,” added Ms. Ruel. Easier to take a drug than to stop eating fries and gravy, or to practise more sports…

As well, “there’s a lack of awareness about using drugs wisely,” continued Ms. Matte. She often sees patients who only take their drugs half the time, or who stop taking them when they start feeling better.

They don’t have side-effects right away from not taking their drugs properly. But a serious problem may develop years later.

Drug	Insured by the RAMQ	Private insurance				Diff. $	Diff. %
		Pharmacy 1	Pharmacy 2	Pharmacy 3	Pharmacy 4		
Humira (polyarthritis) 2 injections	1,352	$1,478	$1,477	$1,500	$1,548	$19	14%
Biaxin XL (antibiotic) 20 capsules	61.33	$85	$80	$70	$70	$23.76	39%
Norvasc (hypertension) 30 tablets	46.47	$55	$52	$50	$45	$8.53	18%
Lipitor 30 tablets	72.99	$80.27	$79	$85	$82	$12.01	16%
Effexor (depression) 30 tablets	58.68	$65.69	$75	$65	$64	$16.31	28%
Effexor (generic version) 30 tablets	34.83	$56	$60	$44.95	$52.49	$25.16	72%
According to a chart published in *La Presse*, Feb. 17, 2008							

Drugs: surprising price spreads
La Presse, Sunday, February 17, 2008, Stéphanie Grammond

(Excerpts) – Shop around. It's an automatic reflex for most products – cares, computers and so on – but not for prescription drugs. Yet prices vary substantially.

For example, one pharmacy charges a patient suffering from hypertension, and covered by a private insurance plan, $55 for 30 tablets of Norvasc. It's 18% more than what is charged to someone with public drug insurance.

The drug insurance system is divided into two parts. All Quebecers who have access to a private insurance plan have to join it. The others are covered by the public plan. For public plan members, prices are cast in stone.

Pharmacists can't charge more than the cost price of the drug (set by the RAMQ), plus the wholesaler's profit margin (6%, with a $24 maximum) and their own dispensing fee ($8.12 per prescription).

But in the private sector, market prices prevail. Pharmacists are simply required to charge "usual and customary" prices, which means that the price of a prescription drug must be the same for all customers in a given store.

"A pharmacist can't reduce prices for you without reducing them for everyone else with private insurance," says Annick Mongeau, spokesperson for the Association québécoise des pharmaciens propriétaires (AQPP – Québec association of owner-pharmacists).

But the price of a drug may vary from one pharmacy to another. Each pharmacist is free to charge the fees he or she deems reasonable, based on operating costs and services offered.

Some pharmacists offer value-added services that justify higher fees. For example, they may have nurses on site to give injections, take blood pressure, etc.

“Fees vary between $8 and $30 (per prescription). They rarely exceed $40, and then only for very expensive drugs (e.g., $1,400),” assures Janine Matte, owner of the Matte et Petit pharmacy in Québec City.

And sometimes dispensing fees are less than $8, adds Normand Cadieux, executive director of the AQPP. This is the case, for example, with oral contraceptives and inexpensive prescriptions (under $10).

Overall, though, it is clear that drug prices are higher for people covered by private plans. This is reflected in a pharmacy’s profitability.

“A pharmacy whose customers are almost all insured by the RAMQ has a gross profit margin of 23%. That’s very low for the retail trade. A pharmacy whose customers are mainly covered by private insurance will have a profit margin of 30 to 33%, which is more in line with actual operating costs,” judges Mr. Cadieux.

The harder the public plan negotiates, the wider the gap gets between the public and private plans. “When the Québec Drug Insurance Plan was launched in 1997, the difference between the public and private plans was less than one per cent,” according to Pierre Marion, senior director of group insurance sales and customer relations at Blue Cross. “Now the gap is wider.”

And it goes on and on …

La Presse, Sunday, February 17, 2008, Stéphanie Grammond

Year after year, premiums for drug insurance go up 10% or 15%. Everybody laments the fact. But nothing changes.

“No player, anywhere, has an interest in seeing this stopped. The tank is leaking, but it’s much easier to fill it up than to repair it,” comments Jean Thibault, consulting pharmacist.

The insured person doesn’t see any problem

“People don’t ask many questions about drug prices. They don’t see the benefit,” says Janine Matte, pharmacist. After all, their insurer often reimburses 80% or more of the cost.

“People have the impression that they aren’t the ones paying. Bu each time you pay too much, it’s all the participants in your plan who pay,” observes Pierre Marion, from the Blue Cross. The insurer will raise premiums, because the cost of premiums simply reflects the amount of claims plus a certain percentage to cover the insurer’s administrative costs and profit.

Ultimately, all the employees collectively pay for the waste. But here again, the cost of the premiums is often paid partly or fully by the employer. It’s a taxable fringe benefit.

“So why not take advantage of it?” say employees. Because by reducing the cost of insurance, or the increase in costs, they could demand that the employer improve some part of their pay.

The insurer doesn’t have real control

“The insurers don’t really have any interest in limiting costs. They are paid on a percentage basis,” points out Normand Cadieux, from the AQPP.

But the insurers defend themselves by saying that they don’t have the means to control costs. In particular, they are obliged to reimburse at least 70% of the cost of a drug, and they cannot require the insured person to pay more than $904 a year in deductibles and co-insurance.

Beyond this limit, the insurer has to reimburse 100% of whatever price is charged by the pharmacist. And the biggest differences are often for the most expensive drugs, which the insurers wind up reimbursing 100%,” notes Johanne Brosseau, from AON Conseil.

Take the example of a patient with multiple sclerosis. The treatment, Betaceron, costs $1,467 under the public plan. In the private sector, Ms. Brosseau has seen pharmacists charge as much as $2,200 – a difference of $800, or more than 50% of the RAMQ’s cost. After two months of treatment, the patient has already paid $904, which is the patient’s maximum share. The insurer then has to reimburse 100% of the cost for the rest of the year.

The government isn’t interested either

“You control the rules of the game. But you refuse to give us the same tools that you use for your own clients,” Ms. Brosseau repeats to the government. Why not change the rules? If the government gives the private plans the tools to control prices more effectively, it will once again face the ire of pharmacists when it comes time to negotiate prices under the public plan, say observers.

The employer is uneasy

The promoters of private insurance plans, who foot the bill, could protest. But they are not grouped together or represented.

When the public sits down to negotiate, it finds itself all alone. The bargaining clout of the private players is diluted by the number of parties involved: insurers, benefits consultants, suppliers of electronic payment systems, employers and unions – groups that aren’t necessarily used to sitting down around the same table.

Moreover, drugs are a delicate topic. Employers worry that stricter controls would amount to interfering in the physician-patient relationship.

Employers prefer to shift part of the cost of the insurance plan onto employees, instead of trying to contain costs.