

EXPOSE' ON PRESCRIPTION DRUG COSTS

On Monday night (July 22, 2005), Steve Wilson, an investigative reporter for channel 7 News in Detroit, did a story on generic drug price gouging by pharmacies. He found in his investigation that some of these generic drugs were marked up as much as 3,000% or more. Yes, that's not a typo.....three thousand percent!

Mr. Wilson did a thorough research, and checked out all the major drugstore chains, discount chains, independent pharmacies, and even checked on some Canadian pharmacies. So often, we blame the drug companies for the high cost of drugs, and usually rightfully so. But in this case, the fault clearly lies with the pharmacies themselves. For example, if you had to buy a prescription drug, and bought the name brand, you might pay \$100.00 for 100 pills. The pharmacist might tell you that if you get the generic equivalent, they would only cost \$80.00, making you think you are "saving" \$20.00. What the pharmacist is not telling you is that those 100 generic pills may have only cost him \$10.00!

At the end of the report, one of the anchors asked Mr. Wilson whether or not there were any pharmacies that did not adhere to this practice, and he said that Costco consistently charged little over their cost for the generic drugs. They gave the link to Costco, which I will include here, so that you can go and check prices for yourself.

<http://www.costco.com> < Costco Online pharmacy

I went to the Costco site where you can look up any drug and get it's online price. It says that the in-store prices are consistent with the online prices. I was appalled. Just to give you one example from my own experience, I had to use the drug Compazine, which helps prevent nausea in chemo patients. I used the generic equivalent, which cost \$54.99 for 60 pills at a local drug store. I checked the price at Costco, and I could have bought 100 pills for \$19.89. For 145 of my pain pills, I paid \$72.57. I could have got 150 at Costco for \$28.08.

I would like to mention, that although Costco is a "membership" type store, you do NOT have to be member to buy prescriptions there, as it is a federally regulated substance. You just tell them at the door that you wish to use the pharmacy, and they will let you in.

Brand Name of Drug	Consumer Price/100 tabs	Cost of General Active Ingredients	Percent Markup
Celebrex 100 mg	\$130.27	\$0.60	21,712%
Claritin 10 mg	\$215.17	\$0.71	30,306%
Keflex 250 mg	\$157.39	\$1.88	8,372%
Lipitor 20 mg	\$272.37	\$5.80	4,696%
Norvasc 10 mg	\$188.29	\$0.14	134,493%
Paxil 20 mg	\$220.27	\$7.60	2,898%
Prevacid 30 mg	\$44.77	\$1.01	34,136%
Prilosec 20 mg	\$360.97	\$0.52	69,417%
Prozac 20 mg	\$247.47	\$0.11	224,973%
Tenormin 50 mg	\$104.47	\$0.13	80,362%
Vasotec 10 mg	\$102.37	\$0.20	51,185%
Xanax 1mg	\$136.79	\$0.024	569,958%
Zestril 20 mg	\$89.89	\$3.20	2,809%
Zithromax 600mg	\$1,482.19	\$18.78	7,892%
Zocor 40mg	\$350.27	\$8.63	4,059%
Zoloft 50mg	\$206.87	\$1.75	11,821%