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Nearly 70 Million Americans Using Discount Generic Rx Programs

Generic prescription medications are used to fill over one billion prescriptions every year, and they make up over 60% of all prescriptions dispensed in the US. The average price for a one-month supply of generic prescription medication nationally is about \$30.

In late 2006, major national retailers began selling generic prescription medicines at their in-store pharmacies at flat-rate low prices — \$4 for a 30-day supply in most states, or \$15 for a 90-day supply. Currently, there are more than 150 different generic medications available through these discount programs, in multiple different doses and forms (for example, liquid versus tablet).

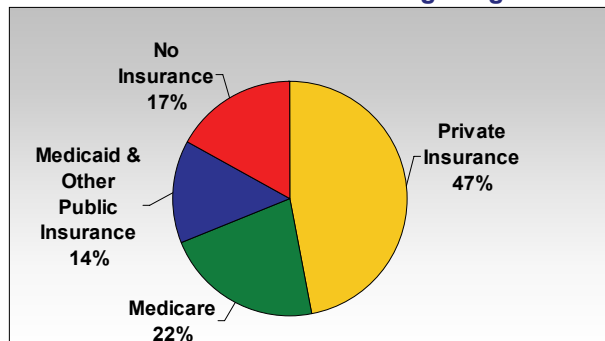
Retailers offering the discount programs have stated that their programs are particularly helpful for uninsured Americans who otherwise face high prescription drug prices. Skeptics have wondered whether these programs offer medicines that are used widely enough to make the programs helpful for large groups of patients.

Use of Generic Rx Drug Programs

In December 2007, the C.S. Mott Children's Hospital National Poll on Children's Health asked households with and without children if they have purchased any generic prescription medicines at national retail stores through these discount programs. Overall, 25% of adults have used these discount generic Rx drug programs, and 18% of parents have used these programs for their children's medications.

Among adults who have used the programs, 47% have private insurance and 17% are uninsured (Figure 1).

Figure 1. Insurance Status Among Adults Who Use Discount Generic Rx Drug Programs



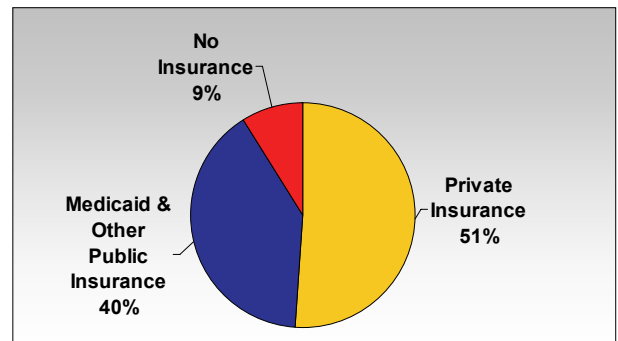
Source: C.S. Mott Children's Hospital National Poll on Children's Health, January 2008

Report Highlights

- 25% of all adults have used discount generic prescription drug programs; more than two-thirds of these adults have private insurance or Medicare.
- 18% of parents have used discount generic drug programs for their children; over one-half of these children have private insurance.
- Uninsured adults and children have used discount generic Rx programs at higher rates than the privately insured.
- Most adults and children with chronic illnesses are no more likely to have used discount generic Rx programs than those without chronic illness.

The second largest share of adults who have used discount generic Rx programs are those with Medicare, who have the highest overall rate of medication use among adults. Among children, those with private insurance and those with Medicaid and other public programs make up about 9 out of 10 users of discount generic programs (Figure 2).

Figure 2. Insurance Status Among Children Whose Parents Use Discount Generic Rx Drug Programs for Children's Medication

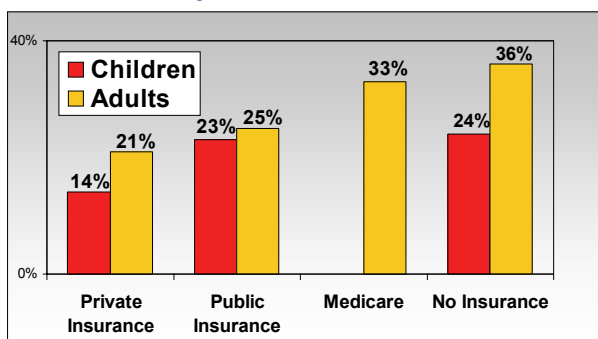


Source: C.S. Mott Children's Hospital National Poll on Children's Health, January 2008

Generic Rx Program Use Among Vulnerable Patients

Among the uninsured, 36% used these programs to buy prescriptions for adults and 24% used them to fill prescriptions for uninsured children (Figure 3). Rates of program use among adults with Medicare were 33% and also higher than average. In comparison, among those with private insurance, rates were 21% for adults and 14% for children. Among those with public coverage (for example, Medicaid), 25% of adults used these programs and 23% of parents used them for children.

Figure 3. Use of Discount Generic Rx Drug Programs for Adults' and Children's Medication by Insurance Status



Source: C.S. Mott Children's Hospital National Poll on Children's Health, January 2008

Overall, 28% of adults with annual household incomes under \$60,000 have used discount generic prescription drug programs compared with 17% of adults with annual household incomes of \$60,000 or more.

Generic Rx Programs and Chronic Illness

In this poll, adults and children were classified as having a chronic illness if they reported having an ongoing problem for which they have regularly taken prescription medicine for the past three months. Individuals with chronic illnesses (for example: asthma, attention deficit/hyperactivity disorder, depression, diabetes, heart disease, high blood pressure) can benefit greatly if their medications are available through discount generic Rx programs.

Among adults with any chronic illness, 26% have used discount generic Rx programs. Among children with any chronic illness, 18% of parents have purchased discount generic Rx for their children through the programs. These rates were virtually identical to program use for the general population.

Among patients with chronic illnesses who did not use the discount generic Rx programs, 25% report that their medications are not available on program formularies. Only adults with heart disease are using these programs at higher rates than other adults. A higher proportion of adults on medication for heart disease (38%) purchased medication through discount generic drug programs than adults without heart disease (24%).

Implications

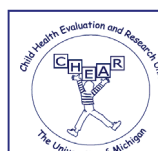
Discount generic prescription drug programs at major national retailers—available for about one year at the time this poll was conducted—have been used by nearly 70 million children and adults in the US. These programs are indeed reaching uninsured Americans at higher rates than patients with insurance coverage. However, privately insured Americans are also evidently seeking lower-cost generic drugs and make up the single largest group of program users among adults and children. Not surprisingly, patients in households with lower and middle incomes appear more likely to have used these programs than patients with higher incomes.

Use of discount generic Rx programs among adults with most chronic illnesses or children with chronic conditions is no higher than the general public. This is a reminder that, while current discount generic Rx program formularies include over 150 different medications, the limited availability of generic prescription drugs in many drug classes may limit these programs' usefulness for many patients. As more prescription medications become available in generic form in future years, there may be broader benefit in future—especially for children, for whom many chronic medications are not yet available as generics.

Our measure of discount prescription drug program use may underestimate the impact of such initiatives for patients, because local pharmacies may match major retailers' discount program prices. In general, broad interest in discount generic programs underscores the importance of affordable prescription medications for patients in all income and insurance groups.

Data Source

This report presents findings from a nationally representative household survey conducted exclusively by Knowledge Networks, Inc. for C.S. Mott Children's Hospital via a method used in many published studies. The survey was administered from Dec 6, 2007 - Jan 4, 2008, to a randomly selected, stratified group of adults aged 18 and older (n=2,131) with and without children from the Knowledge Networks standing panel that closely resembles the U.S. population. The sample was subsequently weighted to reflect population figures from the Census Bureau. The survey completion rate was 64% among panel members contacted to participate.



**C.S. Mott Children's Hospital
National Poll on Children's Health**
Director: Matthew M. Davis, MD, MAPP
Associate Director: Sarah J. Clark, MPH
Manager & Editor: Dianne C. Singer, MPH
Data Analyst: Amy Butchart, MPH
Contact us! Email: NPCH@med.umich.edu
www.med.umich.edu/mott/research/chearnpch.html

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