Prescription Drug Costs: Why So High?

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Problem: High Drug Costs

Every year, Millions of people find themselves struggling to afford prescription drugs. This can range from people living in poverty to people like the average person. Even those who are financially well-off still find themselves worrying about being able to afford their prescription drugs. For example, forty percent of those who make over $100,000 a year are still somewhat or significantly worried (Healthcare Value Hub, 2021).

Solution: Capping Costs & Negotiating Prices

Capping prescription drug costs and making prices negotiable through Medicare can solve the dissatisfaction that is present among citizens. Capping out-of-pocket costs can help to eliminate the worries about being able to afford these drugs and negotiating prices with Medicare can help to determine the right prices for everyone. The Inflation Reduction Act and the Capping Drug Costs for Seniors Act of 2021 are both plans that have already been set in motion as the framework for capping drug costs and negotiating prices with Medicare. Eventually, these can be built off in ways that cap drug costs for everyone and that everyone has an evaluation done by Medicare to see what they should have to pay. As of now, however, prescription drug costs can still stand as a threat to many people’s lives. Capping drug costs and determining unique prices through Medicare is the best way to absolve many people’s worries about costs, but why and how are these the best ways to lower prices?

Capping Costs: How Effective?

In addition to those who are worried about being able to budget drug costs, some also decide not to get their refills or skip doses so they may still be able to afford their prescription drug in the future. According to the Healthcare Value Hub, a poll done in 2021 of North Carolina adults concluded that approximately 31% of those surveyed reported that they skipped a dose, cut their prescription pills in half, or decided not to get a refill (Healthcare Value Hub, 2021). This is because just the out-of-pocket costs for these prescription drugs is enough to make individuals worry about their budget. If the out-of-pocket costs for drugs is capped to only a certain amount for each transaction, month, or year, then this will likely be a big relief to many North Carolina citizens, and they won’t resort to skipping a dose or not refilling a prescription. There is one big plan that is already being implemented: The Capping Drug Costs for Seniors Act of 2021. This program is serving to cap drug costs for seniors, as well as to decrease government reinsurance and increase “plan responsibility” when it comes to Medicare. The cap on drug costs for seniors is $2,000 per year, and thanks to the increase in Medicare’s plan responsibility, there will be better management of drug spending (Villaneuva, 2021). Seniors have so many prescription medications that they need to take to be able to continue life and to have a good quality of life. Not only do they have to worry about this, but sometimes they must make the decision between food and their medicine: which is more important? They need both to live but can only afford one (Duncan & Jones, 2022). This Capping Drug Costs for Seniors Act will reassure seniors that they will be able to afford their drugs and still be able to buy groceries or other necessary tools to live. Since this program only applies to senior citizens, there are other possible alternatives such as generic medications, alternative prescription drugs, and possible alternative pharmacies, but this can only assist to a certain degree. There may not be an alternate prescription drug, there may not be an available generic version of a prescription, and a cheaper pharmacy could be many miles away, and this could be a problem. Luckily, there is another solution to high costs without these blockades.

Negotiating Unique Prices Through Medicare

Another solution to high drug costs is to make prices negotiable through Medicare. This can be applied to a broader age range, in comparison to the Capping Drug Costs forNoY), which measures the quality of life to be experienced in those additional years, Disability-adjusted life year (DALY), which measures how disease may interfere with Life Years (LY) (Ollendorf & Voehler, 2022). These are just a few of the things that the CMS uses to analyze the effectiveness and value of a drug in order to put a price tag on it. The government currently has the annual maximum set at $195,000 for regular adults, and this is going to be reduced through the Inflation Reduction Act. Through this program, many measures can be combined as results to set an individual’s own price. However, for this plan to be fully implemented, the CMS will require more staff, resources, and interpretation (Ollendorf & Voehler, 2022). Overall, this is the beginning of a permanent solution to these high prescription drug costs, and hopefully, they will be permanently lowered soon.

Another important voice in the fight for lower drug costs are those living with disabilities. They do not fall under the category of seniors, obviously, but they do make a special case. Many with disabilities, like seniors, are living on a fixed income, usually not enough to support themselves with the current cost of living. When you add medicine that they need and could have to increase their lifespan, they are also left to choose between life-saving drugs and other supplies necessary to life. The out-of-pocket costs rising by just $10 is enough to increase the rate of mortality by a whopping 33 percent. This Inflation Reduction Act will also be important to those affected by disabilities, because they face many issues like seniors. The best example is diabetes, which requires insulin to keep track of. Without insulin, people with diabetes could die, which is one of the most pressing matters when it comes to drugs and shows why millions of Americans are worried.

Concluding Remarks

Overall, the problem of prescription drug costs is a big over-arching problem for many around the country and the world, but we even face these problems just the same locally as somewhere else that may be a poverty-stricken area. Lowering drug costs by capping out-of-pocket costs and by negotiating prices through Medicare and the CMS are the best options to reduce the price. Not only does this stop citizens from having to skip doses, reduce the size of their dose, or skip a refill altogether, this also eliminates that worry about having to budget money and think about needing to buy food more than medicine, which is a common problem faced by seniors. One of the biggest roadblocks Americans face is having to buy a life saving drug like insulin. They need this to live, but they can’t afford it, so what are they supposed to do? The Capping Drug Costs for Seniors Act of 2021 and Inflation Reduction Act are now trying to safeguard against hiking prescription prices and making prices affordable permanently through Medicare. Hopefully this is what leads to a brighter future, where medicine will not cost too much to make citizens fearful of having to ration their medicine or skip doses, but it will be affordable while still having a price tag that is equivalent to the value of the product. Soon, prices will not be a concern, and these two programs are the first steps towards the future of lower prescription drug costs.

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