

Paying too Much for Prescription Drug Benefits?

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American companies are paying more and more for their medication benefits, with many seeing double-digit increases or more over the past decade. The changing landscape of brand names, generics and over-the-counter choices is confusing for employees. And health insurance coverage is changing rapidly too. The trend is toward higher co-payments or co-insurance for traditional prescription card programs and consumer-directed health plans with high deductibles, meaning that out-of-pocket expenses are on the rise.

But where to go to find lower prices and make more informed decisions? Just as online travel sites have revolutionized how consumers find inexpensive airfares and hotels online, Web sites like BidRx.com have

best medicine can be prescribed at the best price. Notice the difference in cost from the table below. A doctor could prescribe Aciphex which would cost a maximum of \$139 or Prilosec OTC which would cost a maximum of \$22. The price differences are real and dramatic; employees and doctors need this information to start or change therapy.

Tools like this simplify benefit designs. Employers can throw away formularies, tiers, generic and brand co-payments and other management tools and replace them with dollars and cents—something all employees and all providers understand.

Table of Similar Drug Products for Aciphex

Drug	Qty	Max Cost	Coupon	MaxU-Pay
PrilosecOTC 20mg	30	\$22	\$0	\$22
Omeprazole 20mg	30	\$64	\$0	\$64
Prevacid 15mg	30	\$95	\$0	\$95
Protonix 20mg	30	\$112	\$0	\$112
Nexium 20mg	30	\$139	\$25	\$114
Aciphex 20mg	30	\$139	\$0	\$139

TMAX for Drugs for Heartburn or Acid Reflux

Drug	Qty	Max Cost	Employer Pays	Max Empl Co-Pay
PrilosecOTC 20mg	30	\$22	\$22	\$0
Omeprazole 20mg	30	\$64	\$22	\$42
Prevacid 15mg	30	\$95	\$22	\$73
Protonix 20mg	30	\$112	\$22	\$90
Nexium 20mg	30	\$114	\$22	\$92
Aciphex 20mg	30	\$139	\$22	\$117

created an open and competitive marketplace where employees can evaluate similar medications, comparison shop between pharmacies, receive electronic coupons for discounts from pharmaceutical companies and ultimately experience savings up to 85 percent or more when they put their prescriptions out for bid so they can compare prices and services from various pharmacies.

First, pharmaceutical companies compete through head-to-head comparison of similar drug products including electronic coupons for additional savings; second, pharmacies compete to fill prescriptions by showing service and price differences. Employers and employees learn about cost-effective choices and can make informed decisions. When employers use these tools for their prescription drug benefits, employees have cost information and know the consequences of their choices at the point-of-decision. For the first time, doctors know the prices of similar drugs when prescriptions are written. And employees know the price and service options for their prescription before choosing a pharmacy.

If a doctor is going to select treatment for heart burn or acid reflux, both doctor and patient should learn about similar drug products, including prices, so the

TMAX (Therapeutic Maximum) – one among many benefit designs available—lets employers choose their maximum contribution for a class of drugs. Employers can pay 100 percent of the lowest cost drug giving employees a striking new benefit—a free prescription. Employees pay the difference if more costly options are purchased. A failed therapy option is available.

As more Web sites like this appear, pharmacies will compete to meet consumer demands for more information, increased transparency on how much things cost and better prices for their prescriptions. “BidRx.com can help control out-of-pocket costs and increase employees’ knowledge about prescription drugs,” said Dr. Tom Kellenberger, vice president of BidRx, LLC. “Users are enjoying significant savings even when compared to the co-payment on their prescription benefit card, especially if they are willing to accept appropriate alternatives.”

If high health care costs are cutting into your company’s bottom line, it’s time to take action by offering prescription drug benefits in a whole new way. **CDHC**