



## Why do your costs for prescription drug benefits keep on rising?

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The overwhelming majority of schools provide prescription drug benefits to their people and have done so for years. The benefit is very important to the covered people as virtually every family will have use for the benefits at some time every year. Unfortunately for the schools who provide the benefits the cost has been going up much faster than almost any other expense they incur and today has reached a level that just a few years ago, would have been shocking to consider. The forecasted trend for future increases is just as shocking.

The reasons why the costs are increasing are varied, some are understandable from the perspective that new drugs, while expensive, offer the patient meaningful improvements in their health status. Other reasons are not so easy to reconcile as they are driven by the desire for enhanced profits throughout the prescription drug delivery chain.

It has been common practice to encourage patients to buy generic drugs whenever possible as they have historically been less expensive. Today that strategy must be reconsidered because now the identification of a drug as generic is no assurance that it is the least expensive option available to the patient. A couple of examples will highlight the kind of strategies that are being employed by prescription drug manufacturers:

- Cortana is brand drug used to treat Attention Deficit Disorder. There have been generics available for some years that were substantially less expensive and became the standard drugs prescribed by physicians and covered by drug plans. Recently however the generic manufacturers hiked their prices so much that some drug benefit plans now exclude them from coverage forcing the people back onto the brand. Therapeutically that is no problem, but since most plans make people pay more for brand drugs than generics it could be a problem for the covered people.
- Dermatologists have used Minocycline to treat teenage acne for many years, it is a generic and historically the 50 mg tablets cost less than \$10.00 for a 30-day supply. The manufacturer, following FDA rules, submitted a new version of the drug for approval, slightly less dosage and extended release. Once that drug was approved it came to market as a generic with a new price, over \$500.00 for the same 30 days. Since virtually all schools have teenagers covered they enjoy the privilege of paying this new exorbitant cost for a drug that the dermatologist say has no actual clinical benefit beyond the original version.

These are just a couple examples of how prescription drug manufacturers act to maximize their profits at the expense of the client. Unless the school is self-funded and contracting for prescription benefits directly on their own it is highly unlikely that any actions are taking place to protect them from these practices. The NSBA School Rx Cooperative has its own unique programs in place to protect schools from these abusive strategies. To learn more, go to [NSBA School Rx Cooperative](#).