Increasing the Price of Prescription Drugs

[Author Name(s), First M. Last, Omit Titles and Degrees]

[Institutional Affiliation(s)]

Author Note

Increasing the Price of Prescription Drugs

# Introduction

Modern medicine is nothing short of a pure miracle. It can cure more diseases than ever before and is more than capable of giving one a long and healthy life. While extensive research is still ongoing in the field of medicine, the results are promising. However, the ever-improving quality of prescription drugs has a downside that presents itself in the form of higher drug prices. In the USA alone, an increase of 40 percent was observed in drug prices in the year 2017 ($333 billion), as opposed to the prices back in 2007 ($236 billion) (CMS, 2017). While these drugs save lives, and even improve the quality of life for many, the same cannot be said for everyone. The rising cost of a prescription drug is damaging to healthcare practices in general since it can cause people to turn away from prescription drugs all together and opt for alternative and rather dangerous means.

# Discussion

In the past decade alone, prices for prescription drugs have gone up significantly. This has made people give up on prescriptions drugs, which is solely responsible for putting millions of lives at risk. One of the biggest examples here would be the use of insulin. In the past year alone, the prices of insulin, which is crucial for those suffering from Type 1 diabetes, has quadrupled. This caused the attorney general of Minnesota to file a federal lawsuit against several makers on Insulin in the country, following the death of a young man who was rationing his insulin intake courtesy of the rising prices (Campbell, 2019).

While it is understandable that innovation in Medicare attributes towards the rising prices of prescription drugs, however, the fact that this hike in cost is not being overseen by the government or any regulatory authority is alarming. To add insult to injury, research and development are being cited as the reason behind such a sudden hike in these costs by pharmaceutical companies, a fact that cannot be further from the truth. Over the decade, the cost of research and development in medicine has increased from $82 billion to $89 billion (Campbell, 2019). On the other hand, according to a recent study, it was reported that new drugs, both generic and otherwise, have higher cost figures associated with them. However, it was also seen that older brand-name drugs. This showed that the older brand-name drugs were primarily responsible for this significant increase in the cost of prescription drugs by 4 to 7 percent at the very least (Hernandez, Good, & Cutler, 2019).

In 2019, according to Reuters, as well as the Wall Street Journal, the hike in the cost of prescription drugs will continue to increase. However, it will take place at a slower and more gradual pace than it did in 2017 (Erman, 2019). Additionally, further reports have also shown that price hike, which is mostly attributed to the improvement in present drugs, does not necessarily reflect improvement or even change. While other reports did not go into vivid detail regarding the hiking cost of existing drugs, especially when compared to new drugs, lack of a regulating body in the U.S. may certainly be a contributing factor. Furthermore, these prices are not just high, they are considerably higher when compared to other countries.

This seems to be the reason why most uninsured Americans are three times as likely to skip out on filling their prescriptions, as opposed to those with insurance (Sarnak, Squires, & Bishop, 2017). This fact is further supported by a 2016 survey, which showed that more than 14 percent American didn’t get their prescriptions fills courtesy of the associated costs. Unfortunately, the individuals most affected by the high cost of prescription drugs are none other than the individuals that pay for these medicines in cash. Following them are the businesses owners and taxpayers. Furthermore, these rising medicine prices can have a direct influence on the cost of healthcare, as well as the individuals covered by Medicaid, Medicare, and other federally assisted programs. This also includes federal employees. This money comes from the taxes paid by the general public, which makes using this money properly rather essential (Baker, 2017).

The next set of individuals that are directly affected by this hike in prices are the businesses and the companies that offer their employees a medical benefit. This is especially true for the ones that odder drug coverage to their employees. This makes the companies use more of their income to cover up the increasing cost of medication. This hike, in return, may cause these businesses to reduce their coverage, or ask the employees to cover more of their medical expenses. While most of us are insulated from the associated costs of our healthcare, it does not reign true for the entire population. It may cause people to suffer unfairly and cause unrest within society. This fact is rather surprising really, since costs in the U.S. are relatively higher, especially when compared to the rest of the world. On an economic scale, the company spends twice as much as the rest of the world, however, it usually winds up giving us poorer results than we had earlier.

# Conclusion

While there are a number of issues associated with the problem at present, no viable solution can be seen for the problem. This is because the source of the problem does not hail from just one area, but it is associated with a number of different areas in the pharmaceutical industry. While it is understandable that new drugs come with higher prices attached to them, regulatory authorities should certainly look into the matter to ensure that these hikes are being regulated and have a good reason associated with them to allow for the increase. This may not be the most viable solution, but it certainly is the best one at the moment.

# References

Campbell, D. K. (2019, February 06). *Why Are Prescription Drug Prices Rising?* Retrieved from US News: https://health.usnews.com/health-care/for-better/articles/2019-02-06/why-are-prescription-drug-prices-rising

CMS. (2017). *NHE Fact Sheet*. Retrieved from Centers for Medicare and Medicaid Services: https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html

Erman, M. (2019, January 2). *Drug companies greet 2019 with U.S. price hikes*. Retrieved from Reuters: https://www.reuters.com/article/us-usa-drugpricing/drug-companies-greet-2019-with-u-s-price-hikes-idUSKCN1OW1GA

Hernandez, I., Good, C. B., & Cutler, D. M. (2019, January). *The Contribution Of New Product Entry Versus Existing Product Inflation In The Rising Costs Of Drugs*. Retrieved from Health Affairs: https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2018.05147