

Case Study: Pharmaceuticals Cost Variances

Situation

change:healthcare knew that a wide range in costs for consumer pharmaceuticals existed at major pharmacy chains within the same marketplace. But there was no empirical data to back up this assertion. Verifying this fact would underscore that consumers can and should become smarter purchasers of healthcare goods and services by shopping around. Because doing so would increase the quality and value they will find in their healthcare purchases. This mindset is especially important since healthcare costs continue to impact the bottom line of employers – who pay the greatest share of that burden today -- and larger and larger portions of healthcare costs are being transferred to employee shoulders.

Action

In November 2007, change:healthcare conducted a phone survey of six pharmacies in four different areas of Nashville, TN. The cost of six different drugs – Copaxone 20mg, Zolof 100mg, Lyrica 300mg, Lipitor 20mg, Ambien 10mg and Singulair 10 mg – were compared. The stores included: Walmart; Walgreens; CVS; Kroger; Rite Aid and Target. Not all chains operate locations in each area.



Result

If all six drugs were purchased from any of the locations examined, a person buying at the highest priced chain in the survey would have paid about \$485 (20%) more than the person buying at the lowest. In fact, the cost of a prescription can vary as much as 20 to 40 percent between major pharmacy chains within walking distance of one another, and as much as 50 percent from one part of a city to another.

This finding has implications for the uninsured, as well as for people enrolled in the increasingly popular Healthcare Savings Accounts (HSAs). Those in an HSA have a high deductible and pay that deductible out of their own pocket first before insurance kicks in. That's in stark contrast to traditional insurance with a pharmacy plan that allows for a standard co-pay amount, generally \$10-\$35-\$50 per prescription depending upon the plan.

This also has implications for the traditionally insured. Though some individuals only pay a co-payment for their prescriptions, the employer by way of the insurance carrier covers the other portion of the cost. Every dollar you save when purchasing a pharmaceutical could have an impact on the following years' healthcare cost, including the premium increase an employer may ask an employee to shoulder in the coming year(s).

Pharmacy patrons could save themselves, their companies and even future premium costs anywhere between 20% - 40% in out-of-pocket cash by doing some quick research. A simple call to the pharmacist should provide even basic information that will help keep the cost of healthcare low.

change:healthcare solution

In addition to consumers doing their own independent shopping for the best value in healthcare, change:healthcare helps users of its medical bill tracking product automatically compare the costs of identical drugs and services as purchased by other users in the same geographic area. Additionally, consumers can make even more comparisons of healthcare costs, services and other patient experiences via its healthcare consumerism tools on the change:healthcare website.

About Us

change:healthcare (www.changehealthcare.com) is a technology firm dedicated to promoting transparency in the healthcare industry. The company provides internet-based solutions directly to healthcare consumers and through employers interested in controlling healthcare costs by engaging everyone in making informed healthcare decisions.

Call us. We'd like to change your perception of how healthcare can work.

		Copaxone 20mg	Zoloft 100mg	Lyrica 300mg	Lipitor 20mg	Ambien10mg	Singulair 10mg
Franklin	Walmart	\$2083.36	\$99.54	\$71.32	\$120.62	\$151.88	\$123.46
	Walgreens	\$2276.09	\$115.99	\$61.72	\$136.99	\$165.99	\$124.99
	CVS	\$2000	\$118	\$84.59	\$138	\$186	\$121
	Kroger	\$1890	\$98.09	\$63.03	\$117.69	\$134.49	\$107.30
	Rite Aid	\$2216.39	\$112.59	\$138.69	\$129.09	\$162.29	\$130.09
	Target	\$1969.49	\$99.99	\$70.49	\$120.99	\$151.99	\$123.49
Bellevue	Walmart	\$2083.36	\$99.54	\$71.32	\$120.62	\$151.88	\$123.46
	Walgreens	\$2276.09	N/A	\$76.39	\$136.99	\$165.99	\$124.99
	CVS	N/A	\$115.99	\$84.59	\$139.99	\$202.99	\$122.99
	Kroger	N/A	\$106.89	\$75.29	\$117.69	\$134.49	\$111.29
	Rite Aid	\$2216.39	\$112.59	\$138.69	\$129.09	\$162.29	\$130.09
	Target	\$1969.49	\$99.99	\$70.49	\$120.99	\$151.99	\$123.49
Green Hills Belle Meade	Walmart	N/A	N/A	N/A	N/A	N/A	N/A
	Walgreens	\$2276	N/A	\$76.39	\$136.99	\$165.99	\$124.99
	CVS	N/A	\$115.99	\$84.59	\$139.99	\$185.99	\$122.99
	Kroger	\$2078.99	\$106.89	\$75.29	\$117.69	\$134.49	\$245.78
	Rite Aid	\$2216.39	\$112.59	\$138.69	\$129.09	\$162.29	\$130.09
	Target	\$1969.49	\$99.99	\$70.49	\$120.99	\$151.99	\$123.49
Hermitage	Walmart	\$2117.78	\$104.72	\$70.88	\$126.78	\$152.68	\$129.32
	Walgreens	\$2276.09	\$115.99	\$76.39	\$136.99	\$165.99	\$124.99
	CVS	N/A	\$117.99	\$84.59	\$137.99	\$185.99	\$120.99
	Kroger	\$2078.99	\$106.89	\$75.29	\$117.69	\$134.49	\$111.29
	Rite Aid	\$2216.30	\$112.59	\$138.69	\$129.09	\$162.29	\$130.09
	Target	N/A	N/A	N/A	N/A	N/A	N/A