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New Report Goes Beyond Medicare Cards to Analyze Drug Information Across Several Sources

Nonprofit Calls on Medicare to Delay Start of Drug-Discount Cards Until More Stable and Complete Information Is Available

Oakland, CA—A California nonprofit will release a report on Friday comparing price information for 20 drugs commonly prescribed to Medicare beneficiaries, revealing that consumers who are not eligible for a \$600 credit may be better off using existing sources instead of a new Medicare drug-discount card.

Medicine for People in Need (Medpin), a program of the nonprofit Public Health Institute, compared pricing information for 20 top brand-name and generic drugs using these sources:

- Two online U.S. pharmacies (Drugstore.com and Costco.com)
- Two Canadian pharmacies (Granville and Total Care)
- Three Medicare-approved drug discount cards (MedCo, Advanced PCS, and ArgusRx)
- Two federal/state discount programs (SB 393, created in 1999 for California Medicare beneficiaries; and the federal “340B” drug discount program created in 1992)

“We were disappointed to discover how difficult it is now for a California Medicare patient to make an informed decision about purchasing,” says Kathryn Duke, program director for Medpin. “For patients who aren’t eligible for the \$600 credit, a source other than a Medicare-approved card may be a better value. But patients are not currently able to make this decision based on any systematic comparison.”

Comparable pricing and product information was difficult to access through Medicare.gov, a website unveiled at the beginning of May to help consumers compare pricing information among discount cards before the program takes effect in June. The availability of information on specific drugs changed significantly within a week, compounding the difficulty in making an informed choice.

“We’re calling on Medicare to postpone the start of its card program until more stable and accurate information becomes available, particularly for the generic drugs that are generally lower-cost,” says Duke. “We also urge Medicare to allow all beneficiaries to switch cards without penalty in 2004.”

The report found that:

- When comparing prices for the same product across sources, different products point to different purchase sources as the best value. For example, fluoxetine (the generic equivalent of Prozac) was far less expensive through Drugstore.com than it was through a Canadian pharmacy, while metformin (generic Glucophage) was much less costly through that same Canadian retailer than through the popular U.S. website.
- California Medicare eligibles who use primarily generic drugs may want to avoid the problems of researching Medicare cards and instead rely on their SB 393 discount or other sources.
- Posted prices are fluctuating significantly. Medpin’s research revealed the largest amount of change in drug price and availability among the Medicare-endorsed cards, followed by the Canadian sources.
- Among the Medicare cards examined, changes over a six-day period among the brand-name drugs were on price, while changes in that same time among the generic drugs were on overall availability or the method of getting information on them through Medicare’s website.

“If the kind of weekly changes we’ve seen in the Medicare discount cards continue, people who qualify for a \$600 credit may be forced to exhaust their credit much sooner in the year, or see the medication in the strength they take eliminated from any discount,” says Bonnie Burns, training and policy specialist for California Health Advocates, a nonprofit association providing statewide training for counselors serving Medicare beneficiaries.

Medpin works with “safety net” clinics whose patients are often un- or underinsured. The California-based nonprofit has advised clinics to look to generic drugs, pursue federal (340B) discount pricing if eligible, and help their low-income Medicare patients who are eligible for the \$600 credit choose the most appropriate card and enroll for the credit.

“A large portion of our patients are enrolled in Medicare, and nearly all are low-income,” says Marty Lynch, executive director of LifeLong Medical Care, a network of community health clinics in Oakland and Berkeley, California. “They already have significant difficulties understanding their health benefits, and the Medicare drug discount cards are simply going to compound the problem.”

Medpin’s report will be posted at www.medpin.org on Friday, May 14.

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