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The Vermont Legislative Research Shop

Pharmaceutical Drug Price Variation

Variation within Vermont

Currently, the state of Vermont lacks an organization that tracks variation in the price of pharmaceutical drugs. Without such a database, it was necessary to contact pharmacies on an individual basis in order to determine the level of variation present within the state. Pharmacists were selected through the use of www.yellowpages.com, by searching for listings in Vermont under the category “Pharmacy.” All the numbers returned by the site were called, and pharmacists from around the state were surveyed either by telephone or fax, depending on their comfort level with releasing pricing information over the telephone. Each pharmacist was asked to provide a price for ten specific drugs, in a standardized dose and strength (see Appendix A for a sample of the survey answered by pharmacists.)

A statement attached to one of the returned surveys may summarize the information provided by the pharmacists who agreed to participate. Mr. Ken Segreto of the Brooks Pharmacy in Bennington, VT wrote:

“Attached you will find the requested data. When reviewing the data (pharmoeconomics) [price] is influenced by, but not limited to, quantity purchased, manufacturer (ie: brand/generic) and demographical location of purchase.”

The data on price variation within the state of Vermont may be seen in summary in Figure 1 on the next page, or in full in Appendix B. The average level of variation within the state of Vermont for the ten drugs used in the survey was \$33.80. The individual drug with the greatest level of variation was Norvasc with the difference between the highest and lowest price charge of \$91.05, while the drug with the least varying price was Zithromax with a range of \$7.16.

Beyond the call and fax method used to survey pharmacies across the state of Vermont, several Internet pharmacies were analyzed as well, including several Canadian pharmacies. A summary of this data may be found in Figure 2 on the next page. The data may also be found in full in Appendix B. The average level of price variation was \$27.61 US dollar (USd). Lipitor was the drug with the widest variation in price, with the difference between highest and lowest charge of \$98.00 USd, with Norvasc following in second with a range of \$63.83 USd. The drug with the least variation was Hydrochlorothiazide, with a range of \$8.50 USd.

| Drug Name | Avg. Cost per standard dose | Lowest price | Highest Price | High - Low |
|---------------------|-----------------------------|--------------|---------------|------------|
| Hydrocodone w/ APAP | \$37.90 | \$20.79 | \$49.00 | \$28.21 |
| Lipitor | \$246.33 | \$224.05 | \$266.91 | \$42.86 |
| Synthroid | \$48.65 | \$27.91 | \$99.90 | \$71.99 |
| Atenolol | \$19.49 | \$12.04 | \$36.63 | \$24.59 |
| Zithromax | \$55.48 | \$49.99 | \$57.15 | \$7.16 |
| Amoxicillin | \$26.99 | \$19.49 | \$30.70 | \$11.21 |
| Furosemide | \$14.16 | \$10.98 | \$19.39 | \$8.41 |
| Hydrochlorothiazide | \$13.26 | \$9.99 | \$19.85 | \$9.86 |
| Norvasc | \$169.99 | \$144.75 | \$235.80 | \$91.05 |
| Lisinopril | \$44.00 | \$19.99 | \$62.60 | \$42.61 |

Figure 1: Pharmaceutical Drug Price Variation – Pharmacies in Vermont

| Drug Name | Avg. Cost per standard dose | Lowest price | Highest Price | High - Low |
|---------------------|-----------------------------|--------------|---------------|------------|
| Hydrocodone w/ APAP | \$23.67 | \$18.15 | \$29.19 | \$11.04 |
| Lipitor | \$134.51 | \$137.99 | \$235.99 | \$98.00 |
| Synthroid | \$26.04 | \$14.91 | \$33.69 | \$14.91 |
| Atenolol | \$17.85 | \$10.49 | \$20.99 | \$10.50 |
| Zithromax | \$41.29 | \$32.97 | \$54.99 | \$22.02 |
| Amoxicillin | \$20.75 | \$16.00 | \$25.99 | \$9.99 |
| Furosemide | \$13.15 | \$9.09 | \$17.99 | \$8.90 |
| Hydrochlorothiazide | \$11.95 | \$8.49 | \$16.99 | \$8.50 |
| Norvasc | \$112.52 | \$80.36 | \$144.19 | \$63.83 |
| Lisinopril | \$41.45 | \$19.99 | \$58.99 | \$28.40 |

Figure 2: Pharmaceutical Drug Price Variation – Internet Pharmacies

Price Information and Tracking in New York and New Hampshire

Beginning in August of 2004, New York Attorney General Eliot Spitzer and the AARP paired to create a searchable Internet guide of price variation in the pharmaceutical drug market within the state (www.NYAGR.X.org). Each month, Spitzer updates the 25 most popular prescriptions' prices in pharmacies across the state, enabling citizens to "shop around" before buying their medications. Such a website could be an easily maintainable project that would provide assistance to residents of the state of Vermont. According to the NY Rx website, drugs have been found to cost twice as much at one pharmacy as compared to another.

Yet another step taken by the state of New York in the effort to inform consumers is to require by law that pharmacies offer their customers a *Drug Retail Price List*. A pharmacy's *Drug Retail Price List* provides customers with a pharmacy's current prices for the top 150 prescribed drugs. Pharmacies must also post the availability of the list (SeniorJournal.com, 2004).

In April of 2004, John W. Wahrenberger, MD, released a website entitled "Prescription Drug Survival Guide" through the Dartmouth-Hitchcock Medical Center. The site provides a number of useful links and charts comparing drug prices. Local pharmacies, Internet pharmacies and Canadian pharmacies are discussed. Local and smaller pharmacies often have higher prices than their larger counterparts, drug prices vary greatly from pharmacy to pharmacy (Wahrenberger, 2004). Wahrenberger suggests searching for other options as a more cost effective option than simply buying blindly. The website also points out that those taking multiple medications may find that separate pharmacies provide the best price for each of their medications. Buying three months or more of a medication and/or purchasing generics are also shown to be far more cost effective. Internet pharmacies have excellent prices but many times do not want to become involved with prescription drug insurance coverage (Wahrenberger, 2004). Canadian pharmacies will offer substantially better prices on expensive, name-brand medications and may offer generics where generics are not available in the US (Wahrenberger, 2004). In part, Canada's success in lowering drug prices may be afforded to the Patented Medicine Prices Review Board, a government agency that sets limits on the prices of pharmaceutical and over the counter drugs (Frequently Asked Questions, 2004).

References

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SeniorJournal.com, (2004). Seniorjournal.com. Retrieved Feb. 17, 2005, from New Yorkers Get Local Drug Price Information Online Web site: <http://www.seniorjournal.com/NEWS/MedicareDrugCards/4-12-06NYDrugs.htm>.

Wahrenberger, J. (2004). Prescription drug survival guide. Retrieved January 28, 2005, from Dartmouth-Hitchcock Medical Center, Dartmouth Medical School Web site: <http://www.dartmouth.edu/~cardio/patienteducation/survivalguide.htm>.

Compiled at the request of Representative Harry Chen by James Pasch, Jaye Samuels, and Jennifer Duffy under the Supervision of Professor Anthony Gierzynski on February 17, 2005.

Disclaimer

This report has been prepared by undergraduate students at the University of Vermont under the supervision of Professor Anthony Gierzynski. The material contained in the reports does not reflect official policy of the University of Vermont.

1/27/05

Dear Pharmacist,

My name is James Pasch, A University of Vermont student conducting research on the price of prescription drugs. As part of this research, I am surveying the price of various pharmaceutical drugs across the state. The following list consists of the top ten drugs in the country. If you could please fill in the price of the pharmaceutical products at your pharmacy, and fax this sheet back to my Professor, the supervisor of this research, Anthony Gierzynski at (802)-656-0758, I would greatly appreciate it. If you can't fill in all of these, please fill in as many as time permits.

Hydrocodone w/APAP, 500mg, 100tabs: _____

Lipitor, 10mg, 90tabs: _____

Furosemide, 20mg, 100tabs: _____

Hydrochlorothiazide, 25mg, 100tabs: _____

Norvasc, 5mg, 90tabs: _____

Lisinopril, 2.5mg, 100tabs: _____

Synthroid, .025mg, 100tabs: _____

Atenolol, 25mg, 100tabs: _____

Zithromax, 250mg, 6tabs:

Amoxicillin, 250mg, 100tabs:

Sincerely,
James M. Pasch

Appendix B

| | Hydrocodone | Lipitor | Synthroid | Atenolol | Zithromax | Amoxicillin | Furosemide | Hydrochloro- thiazide | Norvasc | Lisinopril |
|--|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|-----------------|----------------|
| | 500mg 100tabs | 10mg 90tabs | .025mg 100tabs | 25mg 100tabs | 250mg 6tabs | 250mg 100tabs | 20mg 100tabs | 25mg 100tabs | 5mg 90tabs | 2.5mg 100tabs |
| Online Pharmacies | | | | | | | | | | |
| www.CanadaPharmacy.com | n/a in canada | \$140.00 | \$29.00 | \$19.00 | \$40.00 | \$19.00 | \$15.00 | \$9.00 | \$80.36 | \$36.00 |
| www.usamedsonline.com | \$18.15 | \$139.00 | \$14.91 | \$10.49 | \$32.97 | \$16.00 | \$9.09 | \$8.49 | \$91.07 | \$30.59 |
| www.rxnorth.com | | \$159.56 | \$22.59 | \$17.96 | \$35.52 | | \$13.67 | \$11.87 | \$144.00 | \$40.00 |
| www.abconlinepharmacy.com | | \$137.99 | \$29.99 | \$20.99 | \$42.99 | \$21.99 | \$17.99 | \$16.99 | \$102.99 | \$58.99 |
| www.walgreens.com | \$29.19 | \$235.99 | \$33.69 | \$20.82 | \$54.99 | \$25.99 | \$9.99 | \$13.39 | \$144.19 | \$41.65 |
| | | | | | | | | | | |
| Average | \$23.67 | \$134.51 | \$26.04 | \$17.85 | \$41.29 | \$20.75 | \$13.15 | \$11.95 | \$112.52 | \$41.45 |
| (Max-Min) Price | \$11.04 | \$98.00 | \$14.91 | \$10.50 | \$22.02 | \$9.99 | \$8.90 | \$8.50 | \$63.83 | \$28.40 |
| | | | | | | | | | | |
| Vermont Pharmacies | | | | | | | | | | |
| Price Chopper, Essex | \$39.90 | \$266.91 | \$99.90 | \$36.63 | | | | | | |
| Brown's Drug Store, Derby Line | \$36.72 | \$239.31 | \$48.29 | \$16.00 | | | | | | |
| Kinney, Newport | | | | | \$57.15 | \$30.70 | | | | |
| Granite Pharmacy, Newport | | | | | | | | \$13.90 | \$235.80 | \$62.60 |
| Brooks, S. Burlington | \$49.00 | \$254.85 | \$31.35 | | | | | | | |
| Middlebury | | | | | | | | | | |
| Brooks, Middlebury | | | | \$22.85 | \$57.15 | \$30.70 | | | | |
| Beauchamp and O'Rourke, Rutland | | | | | | | \$12.44 | \$11.95 | \$146.85 | |
| Chester Drug Store, Springfield | \$23.49 | \$248.91 | \$27.91 | | | | | | | |
| Brooks, Bethel | | | | \$12.04 | \$52.99 | \$21.99 | | | | |
| Derry Pharmacy, Londonderry | | | | | | | \$10.98 | \$19.85 | \$190.27 | |
| Rite Aid, Wilmington | \$39.99 | \$257.97 | | | | | | | | \$55.99 |
| Kinney Drugs, Milton | \$49.00 | \$252.65 | \$45.45 | \$23.25 | \$57.15 | \$30.70 | \$14.00 | \$13.90 | \$157.20 | \$41.75 |
| Fairfax Pharmacy, Fairfax | \$47.45 | \$224.05 | \$41.15 | \$12.89 | \$57.15 | \$29.15 | \$16.85 | \$12.25 | \$144.75 | \$41.35 |
| Brooks Pharmacy, Bennington | \$20.79 | \$232.29 | \$50.29 | \$15.29 | \$56.79 | \$19.49 | \$11.29 | \$9.99 | \$165.04 | \$42.29 |
| Anonymous Pharmacy (VT) | \$34.79 | \$239.99 | \$44.89 | \$16.99 | \$49.99 | \$26.19 | \$19.39 | \$10.99 | \$149.99 | \$19.99 |
| | | | | | | | | | | |
| Average | \$37.90 | \$246.33 | \$48.65 | \$19.49 | \$55.48 | \$26.99 | \$14.16 | \$13.26 | \$169.99 | \$44.00 |
| (Max-Min) Price | \$28.21 | \$42.86 | \$71.99 | \$24.59 | \$7.16 | \$11.21 | \$8.41 | \$9.86 | \$91.05 | \$42.61 |