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United States General Accounting Office
Washington, DC 20548

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Congressional Requesters

Subject: Prescription Drugs: Prices Available Through Discount Cards and From Other Sources

This letter responds to your request for information on how the prices for prescription drugs purchased using drug discount cards compare with the prices available at local pharmacies or over the Internet. Using a list of 17 drugs that are among the most widely prescribed to the Medicare population, we have documented prices from several sources. These included prices available from (1) five companies that administer large drug discount card programs, (2) five Internet pharmacies, and (3) several retail pharmacies in four different areas—Washington, D.C.; Chicago; Seattle; and rural Georgia. (See encl. I for additional details on our scope and methodology.) We did not independently verify the drug prices provided by these sources. With this exception, we performed our work from September through November 2001, in accordance with generally accepted government auditing standards.

The drug prices we obtained from these sources are presented in enclosures II through V.

As arranged with your offices, unless you release its contents earlier, we plan no further distribution of this letter until 30 days after its issuance date. At that time, we will send copies to interested parties. This letter will also be available on GAO's home page at <http://www.gao.gov>. If you or your staffs have any questions regarding this letter, please contact me at (202) 512-7119 or John Hansen at (202) 512-7105.

Laura A. Dummit
Director, Health Care—Medicare Payment Issues

Enclosures – 5

List of Requesters

The Honorable John D. Dingell
Ranking Minority Member
Committee on Energy and Commerce
House of Representatives

The Honorable Henry A. Waxman
Ranking Minority Member
Committee on Government Reform
House of Representatives

The Honorable Charles B. Rangel
Ranking Minority Member
Committee on Ways and Means
House of Representatives

The Honorable Sherrod Brown
Ranking Minority Member
Subcommittee on Health
Committee on Energy and Commerce
House of Representatives

The Honorable Fortney Pete Stark
Ranking Minority Member
Subcommittee on Health
Committee on Ways and Means
House of Representatives

The Honorable Mike Ross
House of Representatives

SCOPE AND METHODOLOGY

For our study, we identified 17 drugs that are frequently prescribed for participants in AARP's drug discount card program. For our analysis, we used the 10 most frequently prescribed prescription drugs, and the 10 drugs whose price and utilization made them the highest expenditure drugs purchased by participants in the AARP program. The unduplicated drugs from both lists yielded the 17 drugs for which we obtained prices.¹

Four of the drug discount cards we examined are administered by four of the nation's largest pharmacy benefit management (PBM) companies—Merck-Medco Managed Care, Advance PCS, Express Scripts, and Wellpoint Health. We asked each PBM to provide us the prices that a participant in its largest drug card program would pay for each of the 17 drugs if purchased at a retail pharmacy or through the mail. In some cases, the PBMs provided us with prices averaged over several of the large drug discount card programs they administered. The fifth drug card program we examined is administered by Citizens Energy, a nonprofit company. The Citizens Health card can be used to obtain discounts at participating pharmacies in Connecticut, Massachusetts, and Rhode Island and through a mail service pharmacy administered by Express Scripts. We also asked each drug card administrator for information on enrollment fees and shipping charges for mail service prescriptions.

We also obtained prices for the 17 drugs from five retail pharmacies in Washington, D.C., five in Seattle, four in Chicago, and five in rural Georgia. These included pharmacies that were part of national or regional chains, part of national supermarket chains, discount department stores, members-only price clubs, and independent retail pharmacies. We asked each pharmacy to give us the price that would be paid by a cash-paying customer. After obtaining the prices, we asked whether the pharmacy offered a senior citizen discount on prescriptions. We reduced the reported drug prices to reflect any available senior citizens discount. Finally, we obtained prices and shipping costs from five Internet pharmacies.

We did not independently verify the drug prices provided by these sources. With this exception, we performed our work from September through November 2001, in accordance with generally accepted government auditing standards.

¹The drug information provided by AARP included a specific dosage form, strength and package size. With one exception, the drugs were in packages of 30 tablets or capsules. Fosamax was in a package of four tablets.

**Drug Discount Card Retail Prices Compared to
Drugstore Prices in Four Geographic Areas**

Drug description ^a	Drug discount card					Washington DC average price ^g	Chicago average price ^h	Seattle average price ^g	Rural Georgia average price ^g
	1 ^b	2 ^c	3 ^d	4	5 ^e				
Generic drugs									
Atenolol 50 mg	\$5.69	\$5.55	\$4.57	\$6.32	\$4.90	\$8.55	\$9.09	\$9.72	\$18.33
Digoxin/Digitek .25 mg	7.03	8.72	8.36	7.70	n/a ^f	8.35	10.52	9.19	9.41
Furosemide 40 mg	4.81	5.30	4.08	5.04	5.04	7.83	8.67	7.71	9.50
Hydrochlorothiazide 25 mg	4.42	4.61	5.82	4.97	4.09	7.13	8.34	7.27	7.91
Metoprolol 50 mg	5.53	6.13	5.08	5.32	5.32	9.13	9.42	14.15	15.62
Brand name drugs									
Celebrex 200 mg	74.92	69.09	68.44	75.28	76.18	80.34	79.89	78.94	82.29
Evista 60 mg	63.62	64.10	63.43	64.05	64.87	72.30	71.49	72.96	75.62
Fosamax 70 mg	59.24	59.71	59.09	59.84	60.49	65.02	67.07	64.48	67.58
Glucophage 500 mg	22.91	23.82	23.17	23.93	24.16	29.77	28.07	29.46	28.53
Klor-Con 10 mEq	6.20	9.50	5.82	6.34	6.34	9.51	10.02	8.79	12.05
Lipitor 10 mg	55.94	56.37	56.34	56.48	57.20	61.81	58.92	57.90	65.52
Lipitor 20 mg	85.26	85.42	86.87	85.45	86.51	93.25	90.67	91.20	100.17
Norvasc 5 mg	39.44	39.85	39.16	40.25	40.70	44.18	41.52	43.01	44.87
Plavix 75 mg	96.06	96.13	95.49	96.16	97.31	106.43	107.49	106.48	112.59
Premarin .625 mg	22.19	21.02	20.40	23.22	22.73	24.84	25.12	25.07	25.98
Prilosec 20 mg	115.79	115.41	115.00	115.73	117.04	121.64	124.02	119.98	127.89
Zocor 20 mg	112.16	111.77	111.41	112.08	113.41	122.25	116.67	118.31	123.43

^aThe quantity for each drug is 30 tablets or capsules except for Fosamax, whose quantity is 4 tablets.

^bThis drug card program has an annual enrollment fee of \$25 for individuals and \$40 for families.

^cPrices are the average prices paid by customers of several different card programs.

^dThis drug card program has an enrollment fee of \$11.95 per month for individuals and \$19.95 for families.

^eThis drug card program has an annual membership fee of \$12 for individuals and \$28 for families.

^fThis company did not have a price for digoxin/digitek for the dosage we requested.

^gReflects the average of the prices obtained from five area drugstores.

^hReflects the average of the prices obtained from four area drugstores.

Drug Discount Card Mail Order Prices Compared to Internet Pharmacy Prices

Drug description ^a	Drug discount card					Internet pharmacy average price
	1 ^b	2 ^c	3 ^d	4	5 ^e	
Generic drugs						
Atenolol 50 mg	\$14.17	\$2.22	\$12.67	\$3.57	\$0.80	\$7.02
Digoxin/Digitek .25 mg	5.78	3.74	5.57	4.85	n/a ^f	7.80
Furosemide 40 mg	5.51	1.86	5.21	3.08	2.04	7.07
Hydrochlorothiazide 25 mg	4.14	1.48	3.97	3.08	0.34	7.12
Metoprolol 50 mg	10.74	2.63	10.39	2.57	8.33	7.27
Brand name drugs						
Celebrex 200 mg	70.79	62.67	62.91	70.88	67.72	72.33
Evista 60 mg	60.26	57.89	58.29	59.91	57.19	66.42
Fosamax 70 mg	56.18	53.75	54.31	55.80	53.10	62.24
Glucophage 500 mg	22.32	19.48	21.28	20.71	19.25	22.54
Klor-Con 10 mEq	7.18	6.68	7.26	3.59	3.84	8.41
Lipitor 10 mg	53.11	50.64	51.78	52.52	50.04	56.86
Lipitor 20 mg	80.43	78.30	79.85	80.82	77.35	86.35
Norvasc 5 mg	37.73	34.38	35.98	36.65	34.66	38.45
Plavix 75 mg	90.48	88.48	87.78	91.28	87.41	95.94
Premarin .625 mg	21.65	16.32	18.73	20.01	17.92	19.59
Prilosec 20 mg	108.87	107.09	105.72	110.40	105.80	114.65
Zocor 20 mg	105.49	103.67	102.42	106.83	102.42	110.28

^aThe quantity for each drug is 30 tablets or capsules except for Fosamax, whose quantity is 4 tablets.

^bThis drug card program has an annual enrollment fee of \$25 for individuals and \$40 for families.

^cPrices provided by the drug card administrator are estimates for a 30-day supply based on average prices for a 90-day supply available to customers of several different drug card programs.

^dThis drug card program has an enrollment fee of \$11.95 per month for individuals and \$19.95 for families.

^eThis drug card program has an annual membership fee of \$12 for individuals and \$28 for families.

^fThis company does not have a price for digoxin/digitek for the dosage we requested.

^gReflects the average of the prices obtained from five Internet pharmacies.

Internet Pharmacy Drug Prices

Drug description ^a	Internet pharmacy					Average
	1	2	3	4	5 ^b	
Generic drugs						
Atenolol 50 mg	\$6.99	\$9.99	\$5.01	\$6.87	\$6.23	\$7.02
Digoxin/Digitek .25 mg	7.99	9.99	5.01	6.87	9.15	7.80
Furosemide 40 mg	6.99	9.99	5.01	6.87	6.48	7.07
Hydrochlorothiazide 25 mg	6.99	9.99	5.01	6.87	6.75	7.12
Metoprolol 50 mg	7.99	9.99	5.01	6.87	6.48	7.27
Brand name drugs						
Celebrex 200 mg	69.46	73.99	65.92	79.87	72.40	72.33
Evista 60 mg	65.36	69.59	63.87	69.87	63.41	66.42
Fosamax 70 mg	63.94	63.59	62.72	63.87	57.07	62.24
Glucophage 500 mg	21.04	23.69	20.52	23.87	23.58	22.54
Klor-Con 10 mEq	7.99	9.99	5.01	11.87	7.17	8.41
Lipitor 10 mg	54.61	57.99	53.75	61.87	56.10	56.86
Lipitor 20 mg	84.43	86.59	79.85	95.87	85.00	86.35
Norvasc 5 mg	37.62	40.99	33.78	40.87	38.98	38.45
Plavix 75 mg	96.22	93.99	86.71	107.87	94.91	95.94
Premarin .625 mg	18.68	20.69	16.48	19.87	22.22	19.59
Prilosec 20 mg	108.03	109.99	108.30	130.87	116.06	114.65
Zocor 20 mg	107.22	109.99	104.92	120.87	108.42	110.28

^aThe quantity for each drug is 30 tablets or capsules except for Fosamax, whose quantity is 4 tablets.

^bThis Internet pharmacy lists more than one price for Atenolol, Furosemide, and Hydrochlorothiazide. The prices presented for these drugs are the median prices. Also, this Internet pharmacy has a mailing charge that varies depending on package weight.

Area Drug Prices

Table 1: Washington, D.C., Area Drug Prices

Drug description ^a	Washington, D.C. area drugstore ^b					Average
	1	2 ^c	3 ^c	4 ^c	5 ^c	
Generic drugs						
Atenolol 50 mg	\$10.68	\$9.50	\$4.50	\$9.08	\$8.99	\$8.55
Digoxin/Digitek .25 mg	8.46	8.99	6.30	8.99	8.99	8.35
Furosemide 40 mg	9.46	8.99	4.50	8.99	7.19	7.83
Hydrochlorothiazide 25 mg	5.98	8.99	4.50	8.99	7.19	7.13
Metoprolol 50 mg	13.78	10.72	4.50	9.44	7.19	9.13
Brand name drugs						
Celebrex 200 mg	82.98	82.03	86.40	84.59	65.69	80.34
Evista 60 mg	72.98	76.49	72.90	77.03	62.09	72.30
Fosamax 70 mg	66.46	65.69	68.22	64.43	60.29	65.02
Glucophage 500 mg	26.46	27.56	25.65	29.60	39.59	29.77
Klor-Con 10 mEq	10.68	8.99	8.10	8.99	10.79	9.51
Lipitor 10 mg	63.92	62.08	64.26	63.89	54.89	61.81
Lipitor 20 mg	98.84	91.66	99.36	94.49	81.89	93.25
Norvasc 5 mg	43.92	44.59	44.55	49.13	38.69	44.18
Plavix 75 mg	109.68	100.31	111.60	104.39	106.19	106.43
Premarin .625 mg	25.62	24.37	23.90	26.00	24.29	24.84
Prilosec 20 mg	127.62	118.79	135.00	116.09	110.69	121.64
Zocor 20 mg	127.98	117.89	131.40	127.79	106.19	122.25

^aThe quantity for each drug is 30 tablets or capsules except for Fosamax, whose quantity is 4 tablets.

^bThese pharmacies include national chain drugstores, an independent drugstore, and a national chain grocery store.

^cPrices for these drugstores reflect a 10-percent senior citizens discount

Table 2: Chicago Area Drug Prices

Drug description ^a	Chicago area drugstore ^{b,c}				Average
	1	2	3	4	
Generic drugs					
Atenolol 50 mg	\$8.99	\$9.99	\$7.69	\$9.69	\$9.09
Digoxin/Digitek .25 mg	8.99	9.99	13.39	9.69	10.52
Furosemide 40 mg	8.99	9.99	6.99	8.69	8.67
Hydrochlorothiazide 25 mg	8.99	9.99	6.39	7.99	8.34
Metoprolol 50 mg	9.69	9.99	6.99	10.99	9.42
Brand name drugs					
Celebrex 200 mg	81.89	77.99	68.99	90.69	79.89
Evista 60 mg	69.99	71.59	67.39	76.99	71.49
Fosamax 70 mg	68.99	63.59	63.99	71.69	67.07
Glucophage 500 mg	29.49	27.39	22.69	32.69	28.07
Klor-Con 10 mEq	9.39	9.99	9.69	10.99	10.02
Lipitor 10 mg	60.99	58.99	52.69	62.99	58.92
Lipitor 20 mg	93.99	93.99	80.69	93.99	90.67
Norvasc 5 mg	42.99	42.39	36.99	43.69	41.52
Plavix 75 mg	114.99	105.99	107.99	100.99	107.49
Premarin .625 mg	26.89	22.89	21.69	28.99	25.12
Prilosec 20 mg	124.99	119.99	118.39	132.69	124.02
Zocor 20 mg	119.99	117.99	107.99	120.69	116.67

^aThe quantity for each drug is 30 tablets or capsules except for Fosamax, whose quantity is 4 tablets.

^bThese pharmacies include national drugstore chains and a discount store.

^cNone of the pharmacies provide senior citizens discounts.

Table 3: Seattle Area Drug Prices

Drug description ^a	Seattle area drugstore ^b					Average
	1 ^c	2 ^c	3 ^d	4 ^e	5 ^f	
Generic drugs						
Atenolol 50 mg	\$8.54	\$9.62	\$11.19	\$12.68	\$6.57	\$9.72
Digoxin/Digitek .25 mg	8.09	9.89	8.39	13.29	6.29	9.19
Furosemide 40 mg	6.29	8.09	9.19	9.88	5.09	7.71
Hydrochlorothiazide 25 mg	9.89	7.19	6.79	8.41	4.09	7.27
Metoprolol 50 mg	21.32	15.29	12.79	14.37	6.99	14.15
Brand name drugs						
Celebrex 200 mg	87.02	71.09	86.84	79.48	70.27	78.94
Evista 60 mg	76.85	65.69	76.49	80.40	65.37	72.96
Fosamax 70 mg	61.28	59.39	72.44	72.62	56.69	64.48
Glucophage 500 mg	31.58	32.39	29.69	30.44	23.19	29.46
Klor-Con 10 mEq	7.19	8.99	11.69	11.19	4.89	8.79
Lipitor 10 mg	64.61	58.49	53.09	58.34	54.97	57.90
Lipitor 20 mg	98.09	87.29	87.29	99.77	83.57	91.20
Norvasc 5 mg	43.01	44.99	45.89	44.81	36.37	43.01
Plavix 75 mg	108.44	103.49	107.09	117.08	96.29	106.48
Premarin .625 mg	25.64	24.29	27.89	27.06	20.47	25.07
Prilosec 20 mg	128.96	118.79	118.79	118.37	115.00	119.98
Zocor 20 mg	131.03	114.29	110.69	128.52	107.00	118.31

^aThe quantity for each drug is 30 tablets or capsules except for Fosamax, whose quantity is 4 tablets.

^bPharmacies include a regional and a national drugstore chain, national grocery store chains, and a members-only discount price club.

^cPrices for these drugstores reflect a 10-percent senior citizens discount.

^dPrices for this drugstore reflect a 20-percent senior citizens discount for generic drugs and a 10-percent senior citizens discount for brand name drugs.

^ePrices for this drugstore reflect a 5-percent senior citizens discount.

^fThis drugstore has a \$45 annual membership fee.

Table 4: Rural Georgia Drug Prices

Drug description ^a	Rural Georgia drugstore ^b					Average
	1 ^c	2	3	4	5	
Generic drugs						
Atenolol 50 mg	\$7.89	\$9.99	\$9.99	\$23.51	\$40.29	\$18.33
Digoxin/Digitek .25 mg	7.70	9.99	8.99	10.97	9.39	9.41
Furosemide 40 mg	7.13	9.99	8.99	6.79	14.59	9.50
Hydrochlorothiazide 25 mg	5.10	9.99	8.99	5.67	9.79	7.91
Metoprolol 50 mg	6.92	9.99	12.49	20.33	28.39	15.62
Brand name drugs						
Celebrex 200 mg	74.32	86.59	83.89	80.25	86.39	82.29
Evista 60 mg	69.04	76.99	77.59	74.49	79.99	75.62
Fosamax 70 mg	64.12	65.59	68.29	69.51	70.39	67.58
Glucophage 500 mg	27.00	25.99	31.09	28.48	30.09	28.53
Klor-Con 10 mEq	7.77	9.99	8.99	13.23	20.29	12.05
Lipitor 10 mg	60.40	65.59	67.29	65.01	69.29	65.52
Lipitor 20 mg	93.38	99.99	102.69	99.08	105.69	100.17
Norvasc 5 mg	41.84	44.99	44.49	47.26	45.79	44.87
Plavix 75 mg	114.83	109.99	111.69	111.35	115.09	112.59
Premarin .625 mg	25.32	24.69	27.09	24.90	27.89	25.98
Prilosec 20 mg	116.12	122.99	131.29	133.77	135.29	127.89
Zocor 20 mg	123.65	121.99	119.19	129.65	122.69	123.43

^aThe quantity for each drug is 30 tablets or capsules except for Fosamax, whose quantity is 4 tablets.

^bPharmacies include privately owned drugstores and national drugstore chains

^cPrices for this drugstore reflect a 10-percent senior citizens discount.