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Medicare-Approved Drug Discount Cards Continue to Show Significant Savings – Including for Mail-Order/Internet Prescriptions

In a report released May 6, the Centers for Medicare and Medicaid Services (CMS) analysis demonstrated that the Medicare-approved drug discount cards had savings of at least 10-17% for brand name drugs, and 30-60% for generic drugs, compared to the average prices paid by all Americans. That same study also showed early results comparing prices for mail-order prescriptions from the Price Compare website to online pharmacies. The study found that prices for various discount cards were lower than the prices available through these online pharmacies.

CMS continues to see consistent and significant savings at the retail level based on the prices that have been reported, as well as on mail order drugs. Based on this analysis, CMS has additional evidence that prices for both mail order prescriptions and even retail prescriptions that are available through the Medicare-approved drug cards beat those offered by online pharmacies such as Drugstore.com and Costco.com.

CMS findings show that prices are typically lower through the Medicare-approved Prescription Drug Discount Card Program.

Data Analysis

CMS analyzed prices on the Medicare Price Compare website for a set of 10 commonly used brand name prescription drugs and compared these prices to two major Internet pharmacies. For the mail order/internet price analysis, we used the following dosage and quantity in our analysis: Aricept (10 mg., 90 tab), Celebrex (200 mg., 90 cap), Fosamax (70 mg., 12 tab), Lipitor (10 mg., 90 tab), Nexium (40 mg, 90 cap), Norvasc (5 mg, 90 tab), Plavix (75 mg, 90 tab), Prevacid (30 mg, 90 cap), Protonix (40 mg, 90 tab), Zocor (40 mg, 90 tab).

For the retail price analysis, we used the following dosage and quantity in our analysis: Aricept (10 mg., 30 tab), Celebrex (200 mg., 30 cap), Fosamax (70 mg., 4 tab), Lipitor (10 mg., 30 tab), Nexium (40 mg, 30 cap), Norvasc (5 mg, 30 tab), Plavix (75 mg, 30 tab), Prevacid (30 mg, 30 cap), Protonix (40 mg, 30 tab), Zocor (40 mg, 30 tab). We analyzed the data in a basket of 10 drugs for the zip code 21045 in Maryland.

Mail Order

In making an apples-to-apples comparison—looking at drug prices on the Medicare Price Compare website for mail-order drugs compared to two internet based drug stores (Costco.com and Drugstore.com)—CMS found that Medicare-approved drug discount cards do offer significant savings when compared to these web-based services.

- All four Medicare-approved cards included in this analysis showed significant savings compared to Costco.com and Drugstore.com.
- The Medicare-approved cards beat the Costco.com price by 20% to 24% for the basket of 10 drugs analyzed.
- The Medicare-approved cards beat the Drugstore.com price by 7-11% for the basket of 10 drugs analyzed.
- The savings also do not account for the additional charges (membership fees, shipping) at Costco.com and Drugstore.com – so the total savings are actually even greater.

Retail

- The “apples to apples” comparison to the Internet services is mail order, because retail pharmacies typically have some additional costs associated with face-to-face pharmacy services and faster prescription filling. However, the retail prices for the Medicare-approved cards also beat the Costco.com and Drugstore.com prices.
- The Medicare-approved cards beat the Costco.com price by 4% to 7% for the basket of 10 drugs analyzed.
- The Medicare-approved cards beat the Drugstore.com price by 1% to 4% for the basket of 10 drugs analyzed.

A more detailed display for 4 discount cards on the 10 drugs is attached (Attachment 1).

Comparison of Mail Order Prices Under Various Medicare-Approved Discount Cards With Private Discount Cards ¹						
Medicare Approved Drug Discount Card Mail Order Price					Mail Order Price	
	Card 1	Card 2	Card 3	Card 4	Drugstore.com 90 day²	Costco.com 100 day^{2, 3}
Aricept (10 mg., 90 tab)	\$362.91	\$377.10	\$358.43	\$390.42	\$377.97	\$461.49
Celebrex (200 mg., 90 cap)	\$219.30	\$225.90	\$216.62	\$226.92	\$222.97	\$258.67
Fosamax (70 mg., 12 tab)	\$166.37	\$170.04	\$181.14	\$176.03	\$184.97	\$198.69
Lipitor (10 mg., 90 tab)	\$182.56	\$188.10	\$180.33	\$184.14	\$183.97	\$221.17
Nexium (40 mg, 90 cap)	\$279.53	\$278.10	\$303.02	\$289.88	\$346.97	\$402.67
Norvasc (5 mg, 90 tab)	\$117.96	\$119.70	\$116.54	\$121.77	\$123.97	\$143.09
Plavix (75 mg, 90 tab)	\$318.80	\$330.30	\$318.80	\$322.39	\$329.97	\$396.39
Prevacid (30 mg, 90 cap)	\$296.76	\$299.70	\$315.32	\$306.59	\$344.97	\$402.27
Protonix (40 mg, 90 tab)	\$227.26	\$235.80	\$243.79	\$240.41	\$276.97	\$317.47
Zocor (40 mg, 90 tab)	\$266.30	\$278.10	\$335.24	\$276.15	\$356.97	\$402.27
TOTAL	\$2,437.75	\$2,502.84	\$2,569.23	\$2,534.70	\$2,749.70	\$3,204.18
Percentage saved vs Drugstore.com	11%	9%	7%	8%		
Percentage saved vs Costco.com	24%	22%	20%	21%		

Medicare Approved Drug Discount Card Retail Price					Mail Order Price	
	Card 1	Card 2	Card 3	Card 4	Drugstore.com 30 day ²	Costco.com 30 day ^{2,3}
Aricept (10 mg., 30 tab)	\$138.76	\$137.86	\$132.39	\$137.61	\$129.99	\$140.69
Celebrex (200 mg., 30 cap)	\$84.68	\$83.78	\$80.39	\$80.63	\$76.99	\$79.57
Fosamax (70 mg., 4 tab)	\$65.38	\$63.88	\$67.62	\$63.00	\$64.99	\$67.49
Lipitor (10 mg., 30 tab)	\$70.84	\$69.94	\$67.09	\$67.28	\$62.99	\$68.27
Nexium (40 mg, 30 cap)	\$110.02	\$108.56	\$108.52	\$106.65	\$120.99	\$122.77
Norvasc (5 mg, 30 tab)	\$46.51	\$45.61	\$43.70	\$43.82	\$42.99	\$44.19
Plavix (75 mg, 30 tab)	\$122.15	\$121.25	\$118.27	\$114.17	\$114.99	\$118.79
Prevacid (30 mg, 30 cap)	\$115.74	\$113.83	\$114.36	\$112.20	\$120.99	\$122.57
Protonix (40 mg, 30 tab)	\$89.46	\$88.53	\$88.08	\$88.27	\$98.89	\$97.27
Zocor (40 mg, 30 tab)	\$105.36	\$104.64	\$124.32	\$101.92	\$123.99	\$124.87
TOTAL	\$948.90	\$937.88	\$944.74	\$915.55	\$957.80	\$986.48
Percentage saved vs Drugstore.com	1%	2%	1%	4%		
Percentage saved vs Costco.com	4%	5%	4%	7%		
¹ These prices are for zip code 21045 on May 19, 2004						
² These prices do not include the additional shipping and handling fee						
³ Costco charges a \$45 membership fee to secure these prices. The non-member fee is an additional 5% charge per drug.						