

The Most and Least Expensive Cities for Prescription Medications

Key takeaways:

- New Orleans is now the most expensive city for prescription drugs in the U.S. Little Rock, Arkansas, and Lexington, Kentucky, also in the South, are the third and fourth most expensive cities, respectively.
- Denver, Colorado remains the cheapest city for prescription drugs by far, with cash prices 39% below the national average.
- The rising cost of living and big-box store discounts account for much of the prescription drug price variation but don't tell the whole story.

Americans are being hit by inflation at the grocery store, the gas pump, and the pharmacy. But while you might expect prescription drugs to cost the same across the country, this isn't quite the case. In fact, the average price of a prescription drug varies from city to city.

So even though some people are seeing sticker shock for common generic medications, others are paying substantially less, simply because of where they live.

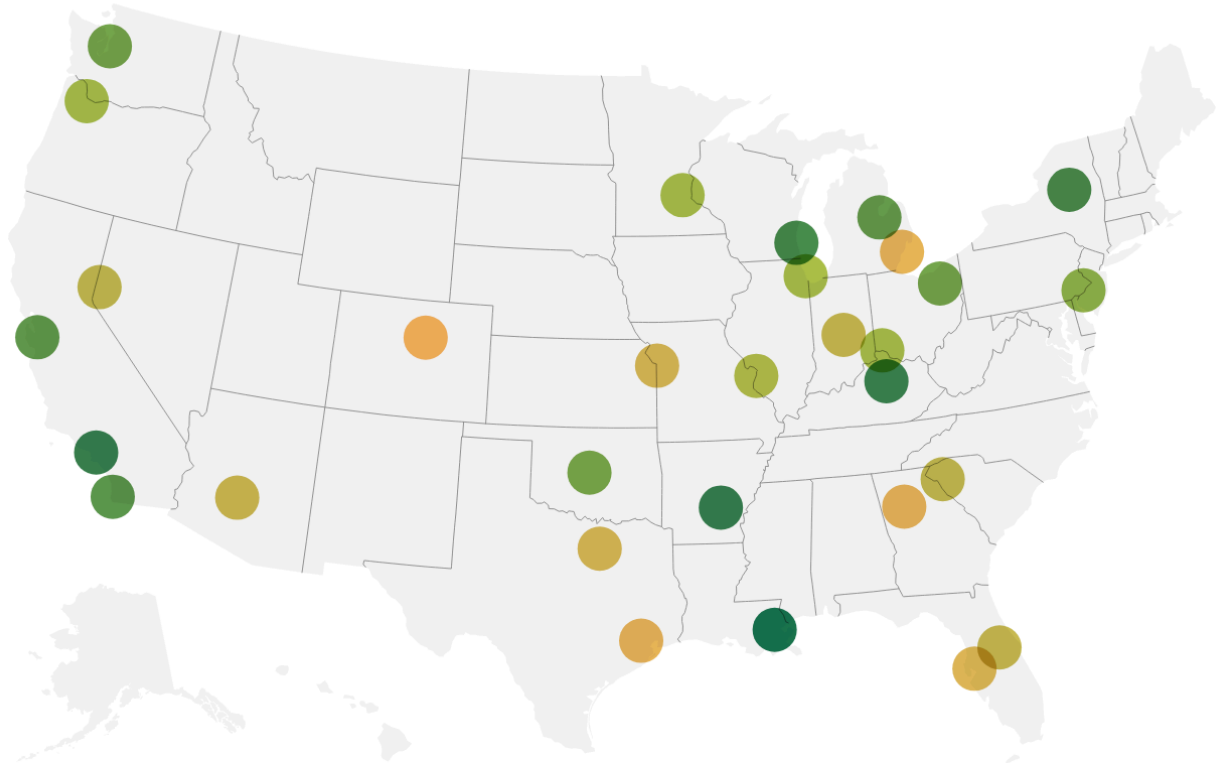
The below map shows the price of prescription drugs relative to the national average in 30 U.S. cities. We can see some general trends, but there are some cases where drug pricing varies between neighboring states or cities.

This data is based on cash prices for the 500 most commonly prescribed medications in 30 U.S. cities. Prices are based on a representative sample of U.S. prescription fills (not fills using GoodRx).

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March 2023

Price relative to national average



Source: GoodRx



The most expensive cities for prescription drugs

Over the past 4 years, the GoodRx Research team has tracked drug prices in cities across the U.S. to locate “low-cost” and “expensive” areas for prescription drugs. Unsurprisingly, San Francisco and Los Angeles have been two of the most expensive cities for prescription drugs.

But a strange phenomenon, possibly driven by inflation, has pushed San Francisco out of the top five list. Now, southern cities like New Orleans, Little Rock, and Lexington make up the majority of the top five. All three are mid-sized cities with higher-than-average rates of multiple chronic conditions. That means these cities may have a need for affordable prescription medications but are paying higher prices.

Milwaukee also made the list of top five most expensive cities this time around. Residents pay nearly 11% more than the national average at the pharmacy.

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	City	Percent above national average
1	New Orleans, LA	20.9%
2	Los Angeles, CA	17.2%
3	Little Rock-Pine Bluff, AR	17.1%
4	Lexington, KY	16.6%
5	Milwaukee, WI	10.9%

Source: GoodRx



The least expensive cities for prescription drugs

In stark contrast to the list of most expensive cities, there has been little movement for the least expensive cities.

In fact, Denver, Colorado, has been the least expensive city for prescription medications since GoodRx Research began this analysis 4 years ago. In Denver, residents pay 39% less for their prescriptions than the national average.

The Least Expensive Cities for Prescription Drugs

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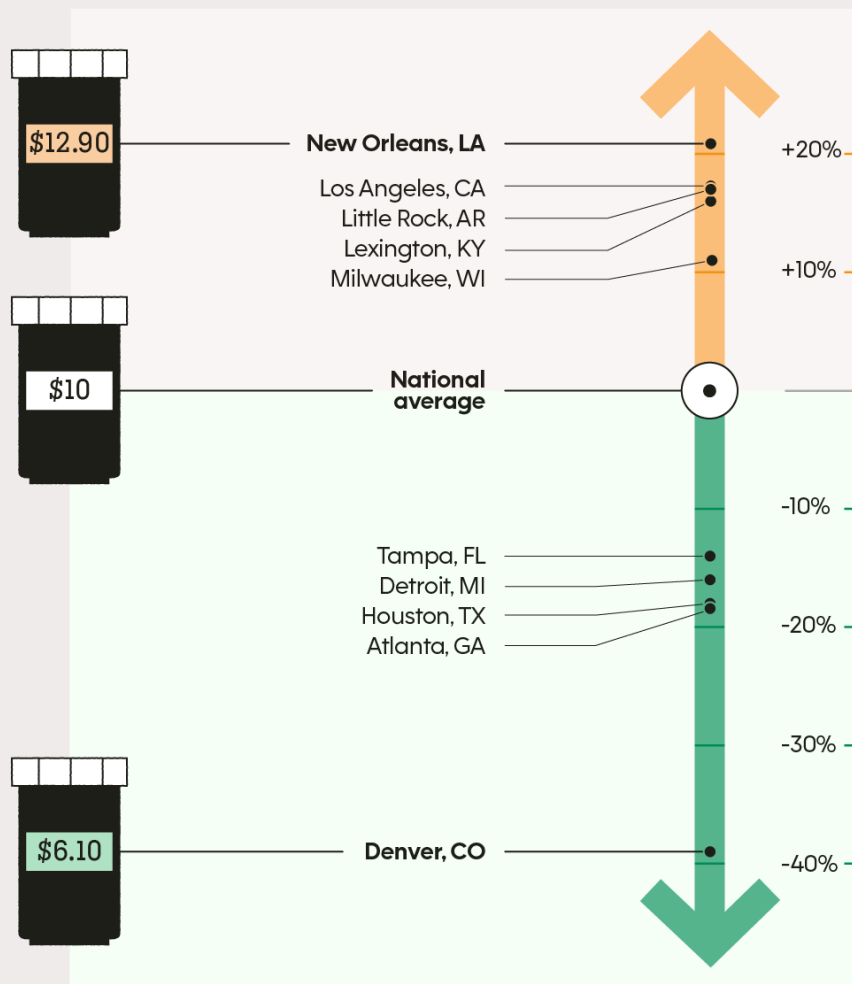
	City	Percent below national average
1	Denver, CO	-39.0%
2	Atlanta, GA	-18.4%
3	Houston, TX	-18.2%
4	Detroit, MI	-16.1%
5	Tampa-St. Pete (Sarasota), FL	-14.2%

Source: GoodRx



How Much Do Prescription Drug Costs Vary in the U.S.?

The cost of prescription drugs currently varies by nearly 60%. According to our data, if the average price of a drug is \$10, the same drug would be \$12.90 in New Orleans, Louisiana but only \$6.10 in Denver, Colorado.*



* The variation is based on average prices. Not all drugs will be pricier or cheaper in the cities mentioned in this study.

Why do prices differ so much by city?

It's not shocking that prescription drug prices are well above the national average in Los Angeles — a city with a high cost of living. And, unfortunately for Californians, drug costs are higher than the national average across the entire state.

The relationship between cost of living and prescription cash prices seems to hold for a few more cases, too. In cities like Kansas City, Missouri, and Greenville, North Carolina — where the cost of living is relatively low — drug costs remain relatively low compared to the national average.

But cost of living doesn't fully explain the differences that we see in the cost of medications around the country.

In Atlanta, the cost of living is relatively high, but prices are over 18% lower than the national average. And while the cost of living in Denver has increased in recent years, its drug prices are the lowest in our analysis compared to the national average.

When it comes to the Midwest, drug costs vary between nearby cities. In cities like Indianapolis, Chicago, and Minneapolis-St. Paul, prices are below the national average. But drug prices in Cleveland and Milwaukee are both higher than the national average. In Detroit, prices are 16% below the national average. But just north, in Flint, Michigan, they are 6% higher.

The role of inflation

It's no secret that inflation has reached historic highs over the last year. And as prices for goods and services increase across the country, prescription drugs are no exception. But higher prices for other goods can also drive up drug prices.

Each year, the U.S. Bureau of Labor Statistics releases the Consumer Price Index report, which details how prices for commodities have changed over the past year on both national and local levels. The category with the second-largest percent change was energy costs, which have increased by over 5% in the past 12 months. Many of us have likely felt the pain of this increase while filling up at the gas pump.

Energy plays an integral role in the prescription drug supply chain, ranging from the electricity required to power production plants for these medications to the fuel for the trucks and planes that ship these goods across the country. When the cost of such an essential resource

increases so dramatically, this added expense is likely reflected in the price you pay at the pharmacy.

But while costs for energy and other commodities have gone up across the nation, they have increased more in some regions of the country compared to others. A [PEW](#) analysis of the Consumer Price Index report found that states in the Sun Belt had the most dramatic overall inflation at 9.9%. States in this region include Arkansas and Louisiana, both of which have cities on our top five list: Little Rock and New Orleans.

The big-box store effect

Another factor that could be at play is a phenomenon that we refer to as the “big-box effect.” Many larger big-box stores, such as Walmart, offer popular brand-name and generic drugs for lower prices — often \$4 for a 30-day supply and \$9 for a 90-day supply. Some states have more of these big-box stores than other states, giving residents more opportunities to save on medications.

There is also the retail markup that a pharmacy puts on a prescription. Some pharmacies will claim a higher margin to support their business, and those pharmacies may be distributed unevenly across states.

These probably aren't the only factors at play, but one thing is for sure: Drug pricing is complex.

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Methodology

To determine the most and least expensive cities for prescription drugs, we observed the cash prices of the 500 most commonly prescribed medications in 30 U.S. cities from January 1, 2022 to January 1, 2023. These numbers are based on a representative sample of U.S. prescription fills (not fills using GoodRx) and come from several sources, including pharmacies and insurers.

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