

Making Sense of Medication Costs

The cost of prescription drugs can vary from pharmacy to pharmacy. Here, we'll explore why, how it negatively affects patients, and what options are available to help.

U.S. drug prices averaged **256% higher** than those seen in 32 other countries¹

The many steps of consumer drug pricing

Negotiations between manufacturers, distributors, and pharmacies leave patients with unpredictable costs.

Key

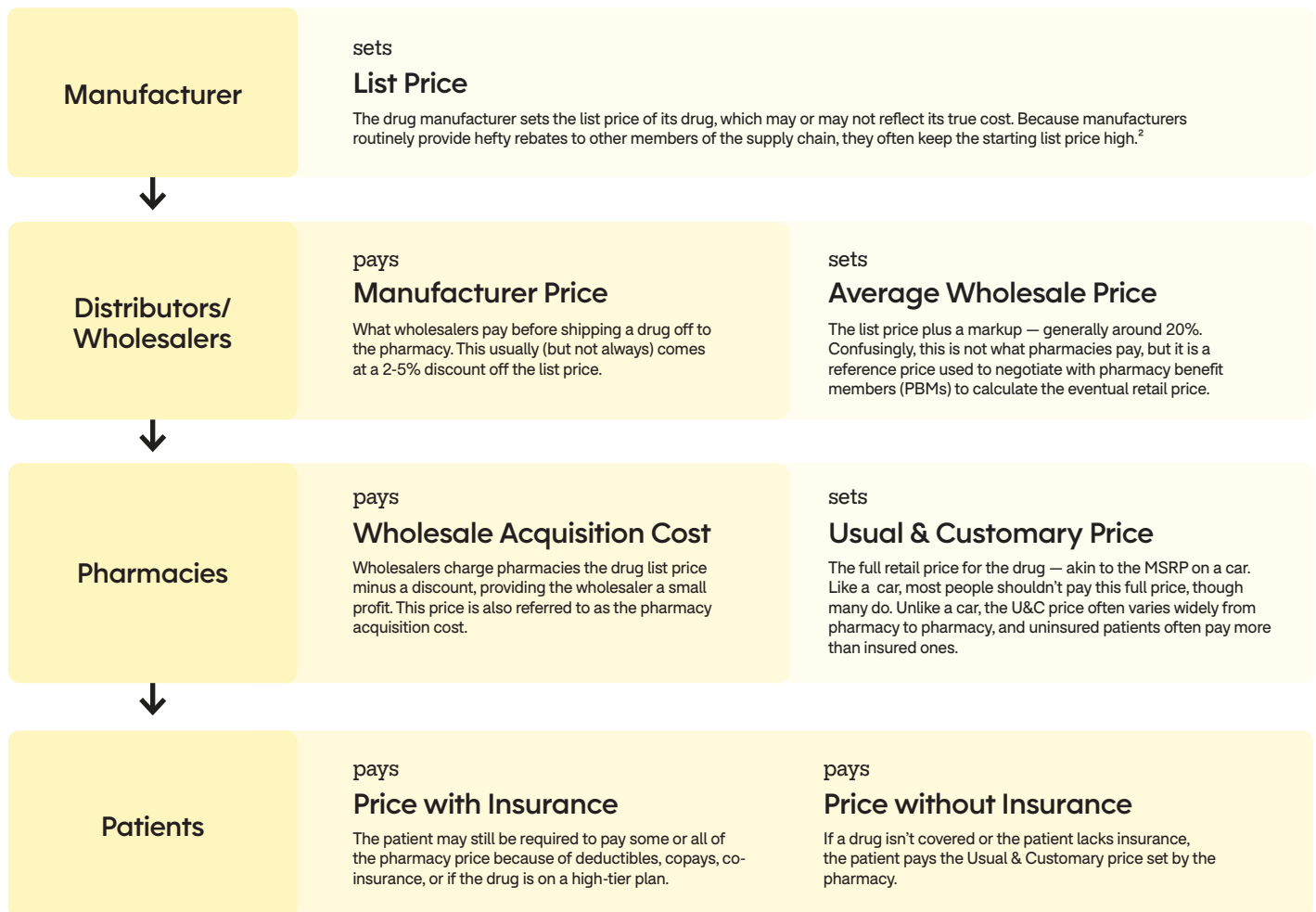
List price = Price a drug manufacturer initially sets

Manufacturer price = List price - discount

Average wholesale price (AWP) = List price + markup

Wholesale acquisition cost (WAC) = Average wholesale price - discount

Usual & Customary price (U&C) = Pharmacy's retail price



¹ Mulcahy, Andrew W., Christopher M. Whaley, Mahlet Gizaw Tebeka, Daniel Schwam, Nathaniel Edenfield, and Alejandro Uriel Becerra Ornelas. *International prescription drug price comparisons: current empirical estimates and comparisons with previous studies*. Rand, 2021.

² Here's the real price of prescription drugs. GoodRx. <https://www.goodrx.com/corporate/news/heres-the-real-price-of-prescription-drugs>. Accessed August 16, 2022.

How can patients navigate varying drug prices?

Knowing that the price for a certain drug can vary drastically based on the pharmacy, patients have a few options if cash or insurance prices are too high:



There are many tools available to reduce out-of-pocket costs like **copay cards**, **manufacturer coupons**, **patient assistance programs**, and **discount cards like GoodRx**. These may even beat insurance copays.



A price comparison tool like GoodRx can also help patients search and compare prices across local pharmacies.

Key Takeaways

- While manufacturers, distributors, and pharmacies all get a chance to negotiate prices, patients do not get the same opportunity, and must use insurance OR pay the cash price the pharmacy sets for their medications.
- Understanding the key factors in the variability of drug pricing helps to illuminate the various prescription savings options patients can take advantage of, including prescription savings programs like GoodRx.
- There are many factors contributing to varying drug prices such as a lack of price regulation, continuous price negotiations, and complex reimbursement systems.



Learn more about how GoodRx can help you help your patients.