



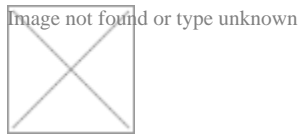
Weekly Checkup

Suspiciously Large Price Increases Among Some Generics

CONOR RYAN | APRIL 16, 2015

Generic drugs are an essential component of modern health care. The off-brand versions of expensive brand-name drugs are sold at a fraction of the price, ensuring widespread access to a growing array of pharmaceutical treatments. However, a recent trend in these low-cost drugs has doctors, patients, and now anti-trust officials worried. Since December 2013—when Medicaid began tracking drug prices in its National Average Drug Acquisition Cost dataset—the average cost to pharmacies has more than doubled for 7 percent of generic drugs in the data, and the cost has more than tripled for 4 percent. Over this same period, the median increase for all generic drugs in the sample was 0.8 percent. As a demonstration, the chart below documents the cumulative change in price for 102 generic drugs that increased in price at least 15-fold relative to levels in December 2013.

[1] Darker lines represent groups of drugs at the same price, which can include multiple dosages or label versions of the same drug. This chart also does not display prices for Tetracycline, for which the price of some doses now exceed 100 times the December 2013 price.



[1] Data in the chart is taken from the NADAC dataset. Our analysis was limited to drugs that were listed both at the beginning and end of the time period. <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Prescription-Drugs/Survey-of-Retail-Prices.html>