Why does AARP care so much about prescription drug prices?

Leigh Purvis, Director, Health Services Research
AARP Public Policy Institute
Potential for multifamily units. This historic building, formerly a bank, is now available! Total building is 8,114 square feet. The building was constructed in 1900 and was renovated and converted to a bank office building in 1987. The first floor features a two-story bank lobby with teller offices. The second floor contains professional offices. The property has a drive-through entrance with 34 car parking plus lots of street parking. There is also a basement which is partially finished. Buyer and buyer's agent to verify all information.

Read more

Listing Agent:
Melissa Morfin
(609) 227-1036
Tip of the iceberg

- Increased manufacturer focus on products that can command high prices (e.g., orphan drugs, biologics) and be used in larger patient populations

- Meanwhile, prices continue to grow after drugs come on the market
  - Average annual cost for widely used prescription drugs used on a chronic basis was almost $20,000 in 2017
    - Cost would have been over $12,500 lower if retail price changes had been limited to general inflation between 2006 and 2017
Older adults are particularly vulnerable to high drug prices

- High utilization
  - Medicare Part D enrollees take an average of 4.5 drugs/month, often on a chronic basis

- Most Medicare beneficiaries live on modest incomes
  - Median income is ~$26,000

- Many Medicare beneficiaries have limited financial resources
  - 1/4 have less than ~$15,000 in savings
High drug prices affect everyone
It’s unfair that Americans pay the highest prescription drug prices in the world. We must crack down on price gouging and the greedy practices that keep prices artificially high. It’s time our leaders stick up for people 50+ and their families.

**AARP’s Solutions**

- **Stop Price Gouging**
  - Let Medicare negotiate prices

- **Increase Affordability**
  - Cap out-of-pocket costs for seniors

- **Close Loopholes**
  - Increase the availability of generics

- **Support Transparency**
  - Make drug firms justify big price hikes