**High Prices of Prescription Drugs as an Issue to Access to Health Care in the United States**

This research paper examines the issues of high prices of prescription drugs in the United States. The United States is the only country within the Organization for Economic Cooperation and Development (OECD) that does not regulate the prices of medications within the pharmaceutical industry (Leap, 2011). Absence of price regulation within the U.S. pharmaceutical industry means pharmaceutical companies price their products in alignment with prevailing market forces. On average, prescription drugs in the United States cost 28-67% higher than the prices for similar prescription drugs in other OECD countries (Gronde, Groot and Pieters, 2017). This high cost of prescription drugs in American has caused an outcry among the consumers and insurance companies who are bearing the cost burden. Policy makers have contemplated the necessity of regulating the prices of drugs in the United States, though the U.S. Department of Commerce has highlighted that regulation of prices would result in massive revenue losses for pharmaceutical companies (Schumock & Vermeulen, 2017). Thus, the prices of prescription drugs in the United States remains a pertinent issue regarding to access to healthcare.

The United States spends the highest per capita on prescription medications compared to other developed economies. In 2016, per capital expenditure on pharmaceuticals in the United States was $1,011.4 (Gronde, Groot and Pieters, 2017). Comparatively, the 2016 per capita pharmaceutical spending for Canada and the United Kingdom stood at $669.3 and $480.6 respectively (Gronde, Groot and Pieters, 2017). In comparison to the prices of prescription drugs in the developing world, the prices of prescription drugs in the United States were approximately 6 times higher than the prices of prescription drugs in Brazil. Moreover, prices of prescription drugs in the United States were 16 times higher than the prices of similar prescription drugs in India (Dalia, 2016). Expenditure on prescription medications only is estimated at 17% of the total healthcare expenditure in the United States (Becker, Dyer, Lash, Powers, Vigersky & Wexler, 2016). Overall, the United States is an outlier in regards to the pricing of prescription drugs globally.

This perpetual high pricing of prescription medications in the United States is raising concerns among stakeholders including patients, policy makers, payers including health insurance companies, and prescribers (Arbiser, 2016). In particular, most stakeholders are worried about the negative clinical consequences of high medication prices in the United States. The Patient Protection and Affordable Care Act of 2010 was enacted to provide Americans with improved health security by lowering the health care costs; hence, enhancing the quality of care for American citizens (Schumock & Vermeulen, 2017). The Affordable Care Act primarily mandates private health insurers to assume increased accountability in lowering the costs of healthcare products and services for patients. Importantly, the Affordable Care Act mandates health insurers to include essential prescription medications in their policies to ensure that Americans receive high-quality medications (Eberts, 2016). Unfortunately, the high costs of essential prescription medications have forced health insurers to take cost containment strategies including adding new coinsurance premiums to cover for certain highly-priced specialty medications.

On average, the coinsurance premiums cost between 20% and 34% of the total prices of a specialty prescription medication (Dalia, 2016). In essence, the high prices of medications in the United States mean that insurance companies are shifting an increasing share of expenses to the patients. Consequent to the cost containment strategies among insurance companies, most patients from low-income brackets were experiencing difficulties accessing the highly-priced essential medications (Leap, 2011). In a 2015 poll, 26.4% of respondents admitted that they had not filled their prescriptions in the previous year because of the high drug expenses (Schumock & Vermeulen, 2017). Overall, high prices of prescription medications in the United States was inspiring limited adherence to medication regiments among patients; hence, worsening the healthcare outcomes among the patients (Grissinger, 2008). Annually, the direct and the indirect costs of non-adherence to medications contributes to approximately 105 billion in avoidable healthcare costs, including the costs for treating drug-resistant infections (Eberts, 2016). Therefore, the burden of high prescription drugs not only cause challenges to accessing healthcare but the highly-priced drugs also increase the overall costs of healthcare in the United States.

The policy-related debates regarding the necessity of high prices of prescription drugs are divided along the costs and benefits of allowing pharmaceutical companies to determine the prices of medications in the U.S. market. Proponents of the high prices of prescription drugs, particularly the pharmaceutical companies who manufacture the drugs argue that it is necessary to maintain the high prices of the medications because manufacturers need decent financial returns from the high-risk research and development projects in the pharmaceutical industry (Avorn, Kesselheim & Sarpatwari, 2016). In the U.S., the average costs of developing a prescription drug that eventually gains market approval is $2.6 billion (Eberts, 2016). The process of developing a new drug is painstaking and uncertain whereby only 5.1% of new drugs that enter Phase 1 of FDA trials are eventually approved by the FDA (Adepoju, Gonzales & Preston, 2015). Therefore, the pharmaceutical manufacturers need to price new prescription drugs highly to recover the immense costs incurred during the development of those drugs.

Also, those supporting the high prices of prescription medications highlight that keeping the prices high will motivate research and development projects to produce effective pharmaceutical products that would address serious medical conditions like cancer and Alzheimer’s in the United States (Adepoju, Gonzales & Preston, 2015). Courtesy of the high pricing within the U.S. pharmaceutical industry, patients in the United States can access newest and effective prescription drugs within three months upon a drug’s approval while patients in other developed nations like Germany and France have to wait for 12-15 months before accessing the newest medications because of the lengthy negotiations with governments in those countries regarding how to price the newest drugs (Becker et al, 2016). Therefore, pharmaceutical companies assert that the high prices of pharmaceutical drugs facilitate the higher survival rates for chronic diseases like cancer in the United States compared to the survival rates in other countries.

However, the opponents of the high prices of prescription drugs including the taxpayers were afraid that the pharmaceutical companies were taking advantage of the Medicare Modernization Act to initiate upward spiralling in drug prices. Under the Medicate Modernization Act, the federal government subsidizes the costs of prescription medications where private health insurance and patients pay approximately 20% of the total drug costs while the government pays up to 80% of the drug costs through the Medicare program (Avorn, Kesselheim & Sarpatwari, 2016). This subsidy program has encouraged the pharmaceutical manufacturers to further increase the prices of the drugs; hence, transferring the burden of the increasing Medicare subsidies to the taxpayers (Gronde, Groot and Pieters, 2017). Thus, taxpayers are urging policy makers to step in and regulate the aspect of pricing in the American pharmaceutical industry.

Overall, the issue of high prices of prescription medication in the United States remains a pertinent challenge to access to healthcare. Prescription drugs in the United States cost at least twice as much as anywhere else in the world because pharmaceutical companies in the United States are allowed to set preferred prices for their medications. The high prices of medications cause negative clinical and healthcare outcomes including increasing incidences of drug-resistant infections courtesy of non-adherence to medications. Thus, opponents of the high pricing strategies are urging policy makers to enact appropriate legislations to make the prescription medications affordable to all Americans. However, pharmaceutical companies are keen in maintaining their high pricing strategies by highlighting that development of new prescription medications is cost intensive (Becker et al, 2016). In conclusion, the U.S. government should strive to find a balance between the interests of the pharmaceutical manufacturers and the goal of affordable healthcare.

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