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# AARP Report: Retail Prescription Prices Increasing Six Times Faster Than Inflation

Rising prices of brand name and specialty drugs driving trend

## En español

**WASHINGTON, DC** — Retail prescription prices have increased **six times faster** than the general inflation rate of 1.5%, according to a new [AARP Public Policy Institute \(PPI\) report](#) out today. The average annual cost of prescriptions reached new heights of more than \$11,000 which comes out to about 75% of the average annual Social Security benefit.

“If these trends continue, more and more Americans will simply be unable to afford the medications that they need to get and stay healthy,” said [Debra Whitman, PhD](#), AARP’s Chief Public Policy Officer. “When the price of a drug goes up, someone has to pay the bill—and ultimately that someone is every taxpayer and consumer. As drug prices continue to escalate, so do our monthly premiums and our out-of-pocket costs at the pharmacy counter.”

The newest PPI report, the latest in a series of reports on prescription drug prices, examined the retail prices of 622 brand name, specialty, and generic prescription drugs most widely used by older Americans in 2013.

## Highlights of the Report

Based on the retail prices of 227 brand name, 115 specialty, and 280 generic prescription drugs in 2013:

- Average annual increase in retail prices for widely-used prescription drugs was 9.4%, compared with a general inflation rate of 1.5%.
- Average annual cost of therapy for one prescription drug: \$11,341.
- Average annual increase for brand name drugs: 12.9%.
- Average annual increase for specialty drugs: 10.6%.
- Average annual decrease for generic drugs: 4%.

“Unfortunately, it’s becoming clear that we can no longer rely on decreases in generic drug prices to offset unrelenting price increases for brand name and specialty drugs,” said [Leigh Purvis, MPA](#), AARP PPI Director of Health Services Research and co-author of the new report. “This shift has serious implications for older adults and the entire health care system.”

## **“Rx Price Watch Report: Trends in Retail Prices of Prescription Drugs Widely Used by Older Americans, 2006 to 2013” Methodology**

AARP’s Public Policy Institute, in collaboration with the [PRIME Institute at the University of Minnesota](#), developed a group of 622 prescription drug products most widely used by older Americans. The drug products included brand name, specialty, and generic drugs. Using data from the Truven Health MarketScan® Research Databases, the report analyzed retail price changes between 2006 and 2013 for these 622 drugs.

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## Additional Resources

- [Trends in Retail Prices of Specialty Prescription Drugs Widely Used by Older Americans, 2006-2013](#)
- [Trends in Retail Prices of Generic Prescription Drugs Widely Used by Older Americans, 2006-2013](#)
- [Trends in Retail Prices of Brand Name Prescription Drugs Widely Used by Older Americans, 2006 to 2013](#)
- AARP Bulletin article, “[Feeling the Pain of Costly Prescription Drugs](#)” (Jan/Feb 2015)

## About AARP

*AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million that helps people turn their goals and dreams into 'Real Possibilities' by changing the way America defines aging. With staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and promote the issues that matter most to families such as personal wellness and financial resilience. AARP also advocates for individuals in the marketplace by offering member discounts on a wide*

*range of premier lifestyle products and services. As a trusted source for news and information, AARP produces the world's largest circulation magazine, AARP The Magazine and AARP Bulletin. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. To learn more, visit [www.aarp.org](http://www.aarp.org) or follow @aarp and our CEO @JoAnn\_Jenkins on Twitter.*

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