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Retail Drug Prices Increase More Than 50X Faster Than Inflation Rate

AARP study of 750+ medications widely used by older Americans shows prices continue longstanding upward trend

En español / **WASHINGTON, DC—**

Retail prices for 768 prescription drugs commonly used by older adults increased by an average of 6.4% in 2015, outpacing the general inflation rate of 0.1%. This is at least the 12th straight year of substantial retail price increases for prescription drugs, according to the latest in a series of AARP Public Policy Institute reports that began tracking drug prices in 2004.

The new **“Rx Price Watch Report: Trends in Retail Prices of Prescription Drugs Widely Used by Older Americans, 2006-2015,”** studied retail prices of a combined set of 268 brand name, 399 generic, and 101 specialty drugs widely used by older Americans, including Medicare beneficiaries, over ten years.



Photo Credit: ADragan

In 2015, the average annual cost of therapy for just one prescription drug was almost \$13,000 for older adults. This cost was:

- Equal to 80% of the average Social Security retirement benefit of \$16,101.
- More than 50% of Medicare beneficiaries' median income of \$25,150.
- Almost 25% of the median household income of \$55,775.

“Year after year, drug price increases far outpace price increases for the other kinds of goods and services that consumers use every day,” said [AARP Chief Public Policy Officer Debra Whitman](#). “These increases are simply unsustainable for everyone, including patients, employers, insurers, and taxpayer-funded programs like Medicare and Medicaid.”

Rx Price Watch Report Highlights

Based on the retail prices of 768 brand name, generic, and specialty drugs:

- The average annual cost for one widely-used prescription drug in 2015 (\$12,951) was more than 3X the average annual cost for a widely-used prescription drug in 2006 (\$4,202), the year Medicare implemented Part D.
- In 2015, the average annual cost of therapy for widely-used specialty drugs was \$52,486 compared with an average annual cost of \$5,807 for widely-used brand name drugs and \$523 for widely-used generic drugs.

“Given these trends in prescription drug price increases, we’re going to continue seeing more and more older Americans, especially those on fixed incomes, who’ll be unable to afford their prescription drugs,” said [Leigh Purvis](#), [Director of Health Services Research](#), [AARP Public Policy Institute](#), and co-author of the report.

About Rx Price Watch Report Methodology

AARP’s Public Policy Institute, in collaboration with the [PRIME Institute at the University of Minnesota](#), developed a market basket used to examine retail price trends among brand name, generic, and specialty drugs that are widely used by older Americans, including Medicare beneficiaries. This Rx Price Watch report includes 268 brand name, 399 generic, and 101 specialty drug products. Using data from the Truven Health MarketScan®

Research Databases, the reports analyzed retail price changes between 2006 and 2015 for this combined market basket.

The full report can be found here: <http://www.aarp.org/rxpricewatch>.

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Additional Resources

- Trends in Retail Prices of Brand Name Prescription Drugs Widely Used by Older Americans, 2006-2015
- Trends in Retail Prices of Specialty Prescription Drugs Widely Used by Older Americans, 2006-2015
- Trends in Retail Prices of Generic Prescription Drugs Widely Used by Older Americans, 2006-2015

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 healthcare security, financial security, and personal fulfillment. AARP also advocates for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name. 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 or follow @aarp on Twitter.
