Current Insurance System Overcharges Patients for Cost-Effective Medicines

Medicines are a cost-effective option relative to other health care interventions and a small percentage of total health spending. According to the Centers for Medicare & Medicaid Services, medicines account for only 10 cents out of every health care dollar spent.

While prescriptions comprise a small portion of health care spending in the United States, patients are currently paying proportionally higher out-of-pocket costs for prescription medicines than they do for other medical services.

Access to innovative medicines, preventative treatments and cures are proven to reduce the use of higher cost conventional health care services. Yet, the current structure of our health care system disproportionately charges patients more for prescription drugs than for other medical services relative to their cost to the system as a whole. This threatens to undermine the integrity of health insurance, which is to spread and share health care costs.

In the new era of health care reform, health benefits must evolve in a way that improves — not penalizes — patient access to more cost-effective and medically beneficial treatment options.

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