

Science You Can Use

Jack K. Horner

Dear Science: I've been thinking about getting a drug-discount card or joining a drug-discount club. Do they really save money? -- Buck R.

Dear Buck: Here's the short answer. The ads for drug-discount cards and drug-discount-clubs (I will call any such arrangements "plans" from here on) strongly suggest that you will pay less for the drugs you buy if you use those plans. Although those plans might seem, in some cases, to save you money, the seller of drugs sold under these plans is making enough money to more than offset any losses the seller might incur from the drugs you buy. There is no free lunch.

How can drug retailers discount drug prices and still make money?

When you enroll in a plan, you may be allowing the plan provider to sell your data. Read the fine print. Can the plan share or sell that data to others?

Not all drugs you are likely to buy are discounted by your plan. Suppose your doctor prescribes three medicines for you, and you know that one of these is listed in your plan. You go to your local pharmacy, present your discount card, only to discover that just one of the drugs is covered under your discount plan. At this point, you have two choices. You can buy the drug that is discounted under your plan and pay full price for the remaining drugs, or you can shop elsewhere to see whether you can get a lower price on the drugs that are not on your plan. Industry data suggests that the majority of buyers will choose to buy all three drugs at the same time.

This situation occurs fairly often. It's no accident that some of the drugs on the AARP list of drugs that are most frequently prescribed are often not on the list of drugs covered by at least one well-known plan.

Not all doses or quantities of a given drug may be on the discount list. Suppose your doctor prescribes a 90-day supply of 10-mg tablets of medicine X. You know that X is on your discount-plan list. You go to your local pharmacy, then discover that your plan covers only a 30-day supply of 20-mg tablets of X. At this point, you have two choices. You can decide to shop elsewhere hoping to find a lower price for your prescription, or you can pay full price for a 90-day supply of 10-mg tabs of X. Industry data suggests that the majority of buyers will choose to pay the full price rather than shop elsewhere.

Many drug sellers do not carry all the drugs that are on your plan's discount-price list. Suppose all three drugs your doctor prescribes are covered by your plan. You go to your pharmacy, only to discover that the pharmacy sells just one of the drugs covered by your plan. The pharmacist may suggest other drugs (e.g., brand-names drugs instead of generics) that can

be substituted for the two that are not covered by your plan, but those alternatives may cost more than those in your plan. Again, industry data suggests you are likely to buy all three drugs at that pharmacy rather than shop elsewhere.

Some drugs that are discounted under these plans can actually sell for less outside the plan. Nothing guarantees that the prices on your plan's list are the lowest available. If you comparison-shop, you may discover that some of the drugs on your list of prescriptions sell for less than they do under your plan.

The drugs that are discounted on your plan may vary over time. The drugs covered under most plans vary over time – in some cases, weekly. It's a good idea to make sure you have a current list when you shop.

Many national-chain "pharmacies" sell much more than drugs, and the price of those other items can subsidize the sale of drugs at that pharmacy. Several national-chain pharmacies sell a wide range of groceries, cosmetics, snacks, and sundries. If you buy, for example, a quart of milk while you are in such a pharmacy, you may be subsidizing your own, or other people's, drug purchases at that pharmacy.

If you have a Medicare Part C (also called Medicare Advantage) plan, or a Medicare Part D drug plan, some of the drugs you use may be covered at cost lower than that available under other discount plans. If you have either of these Medicare plans, at least once a year your Medicare insurance provider will send you a price list (called a "formulary") of the drugs covered under your Medicare plans. Check your formulary to see what is covered – there is no point in paying twice for a drug. In one way or another, of course, you pay for this drug coverage through taxes, or in the case of a Part D plan, through a periodic insurance premium.

How you can comparison-shop drug prices from home. There are several web sites that support current drug-price comparisons for your location. See, for example, <https://www.verywellhealth.com/how-to-compare-drug-prices-online-2615460> for further information.

Jack Horner is a systems engineer.