

WHAT SHOULD BE DONE ABOUT THE HIGH COST OF PRESCRIPTION DRUGS?

The United States spends about \$3.3 trillion a year on health care, with about 10 percent of that spending for prescription drugs.¹ Most Americans are very concerned about the high cost, which for the most part has been driven by expensive new specialty medication and high prices for existing drugs still under patent protection.²

Three-quarters of Americans consider the prices of prescription drugs in the United States to be unreasonable, according to a recent West Health Institute/NORC at the University of Chicago survey. And despite promises to lower drug prices, neither President Donald Trump nor Congress get high marks from the public on their handling of the issue.

One proposal to remedy the high cost of prescription medication is to allow Medicare to negotiate with drug companies. Currently, the Medicare Modernization Act of 2003 prohibits the government from getting involved in negotiations between drug manufacturers and insurance companies that provide drug coverage to people on Medicare.³

During the presidential campaign, Mr. Trump proposed allowing negotiations between Medicare and pharmaceutical companies in order to lower drug prices.



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Five Things You Should Know from the West Health Institute/NORC Survey on Drug Pricing...

- 1) Two-thirds of Americans are very concerned about the high cost of prescription drugs.
- 2) Seventy-seven percent regard the cost of prescription medication in the United States as unreasonable.
- 3) Eighty-eight percent say medication costs should be a priority issue for congressional candidates this year.
- 4) More than 80 percent support proposals to allow Medicare to directly negotiate with pharmaceutical firms for lower prescription prices and to permit low-cost generic drugs to compete with brand name medication.
- 5) Few Americans approve of how President Trump and Congress are handling the high cost of prescription drugs.

¹ Centers for Disease Control and Prevention. 2018.

[National Center for Health Statistics, Health Expenditures](#)

² Peterson Center on Healthcare and the Kaiser Family Foundation. 2017.

[What Are the Recent and Forecasted Trends in Prescription drug Spending?](#)

³ New York Times. 2018. [Trump's Plan to Lower Drug Prices Tests Limits of the Law](#)

However, the plan for reducing drug prices released by the White House in May did not include direct negotiations by Medicare.

Nevertheless, there is popular support for the idea. More than 80 percent of Americans—including majorities of Republicans and Democrats—support allowing Medicare to work directly with drug companies for lower prices.

The public also supports other proposals to reduce drug costs, including increasing competition from generic drugs, requiring pharmaceutical companies to be more transparent about their pricing, and allowing Americans to buy medication from Canada.

Heading into the midterm elections in November, the costs of health care are an important issue to the public, ranking highest out of a list of six public policy issues, including jobs and the economy. When it comes to the costs of prescription drugs, 65 percent of Americans are extremely or very concerned about the status quo and few think current politicians are handling the issue well. Only 23 percent of the public approves of how Mr. Trump is dealing with the cost of prescription drugs. Twenty percent approve of how congressional Democrats are dealing with the problem, and 16 percent approve of how Republicans in Congress are handling it. Registered voters are especially critical, and they are about twice as likely as those who aren't registered to disapprove of how Mr. Trump and both political parties are managing the cost of drugs.

The national survey of 1,002 adults was funded by West Health Institute (WHI) and used AmeriSpeak®, the probability-based panel of NORC at the University of Chicago. Interviews were conducted between August 16-20, 2018, online and using landlines and cell phones.

Key findings from the survey include:

- Sixty-five percent of Americans are extremely or very concerned about the cost of prescription drugs, while 24 percent are moderately concerned and only 11 percent are not very or not concerned at all.
- Very few Americans (10 percent) consider the cost of prescription medication in the United States to be reasonable, while 77 percent say the opposite.
- Half of the public says it is very important that Mr. Trump work toward allowing Medicare to negotiate directly with pharmaceutical firms in order to lower the price of prescription drugs for Medicare recipients. In fact, 82 percent of the public would like to see Medicare negotiate with drug companies for lower prices.
- More competition from lower-cost generics is also supported by 82 percent of Americans, and 80 percent would like to see more transparency from pharmaceutical firms on how prices are determined.
- There is support for some other proposals being floated to deal with drug prices. Sixty-five percent say Americans should be able to buy medication from Canada, and 52 percent think eliminating drug advertising would help lower the cost. One option tested was much less popular; only 31 percent support the idea of making drug prices dependent on patient outcomes.
- Eighty-eight percent say reducing the cost of prescription medication should be a priority for congressional candidates this year; 30 percent say it should be the top priority. Nearly half consider it important that candidates commit to allowing the federal government to negotiate lower drug prices for Medicare beneficiaries.

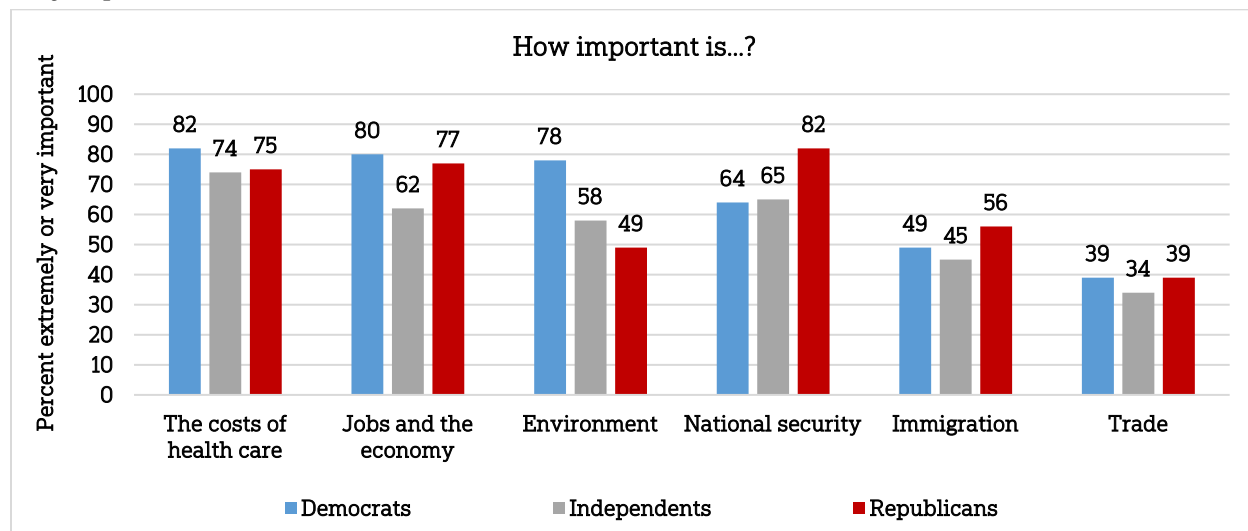
- Only 23 percent of the public approves of how Mr. Trump is dealing with the cost of prescription drugs, and 46 percent disapprove. Twenty-nine percent neither approve nor disapprove of how the president is handling prescription drug costs.
- The public’s assessment of Congress’ performance regarding prescription drugs is also negative. Twenty percent approve of how congressional Democrats are dealing with the problem, while 43 percent disapprove and 35 percent don’t have an opinion either way. Similarly, only 16 percent approve of how Republicans in Congress are handling the cost of drugs, 50 percent disapprove, and 32 percent don’t have an opinion either way.

HEALTH CARE COSTS RANK HIGHEST AMONG IMPORTANT ISSUES TO AMERICANS, AND MOST ARE CONCERNED ABOUT THE COST OF PRESCRIPTION DRUGS IN PARTICULAR.

The costs of health care are an important issue to the public, ranking highest out of a list of six public policy issues. Seventy-eight percent say health care costs are very or extremely important to them personally, more than the number who say the same about jobs and the economy (76 percent), national security (71 percent), the environment (63 percent), immigration (51 percent), or trade (38 percent).

Although the importance of health care costs is fairly universal—more than 7 in 10 Democrats, independents, and Republicans say it’s important—there are some partisan differences in which issues Americans prioritize. While Republicans are more likely to cite national security concerns, the economy and health care costs rank closely behind in second place. Democrats rank health care costs with the highest level of importance, followed by both the economy and the environment.

Issue importance varies by political party, but large majorities of all partisans view health care costs as very important.



Question: How important are each of the following issues to you personally?
 Source: National WHI/NORC survey conducted August 16-20, 2018, with 1,002 adults

Turning to the costs of prescription drugs more specifically, Americans largely agree that the current cost of prescription medication is unacceptable. Very few (10 percent) consider the cost of prescription drugs in the United States to be reasonable, while an overwhelming 77 percent say the opposite. Another 12 percent say the cost is neither reasonable nor unreasonable.

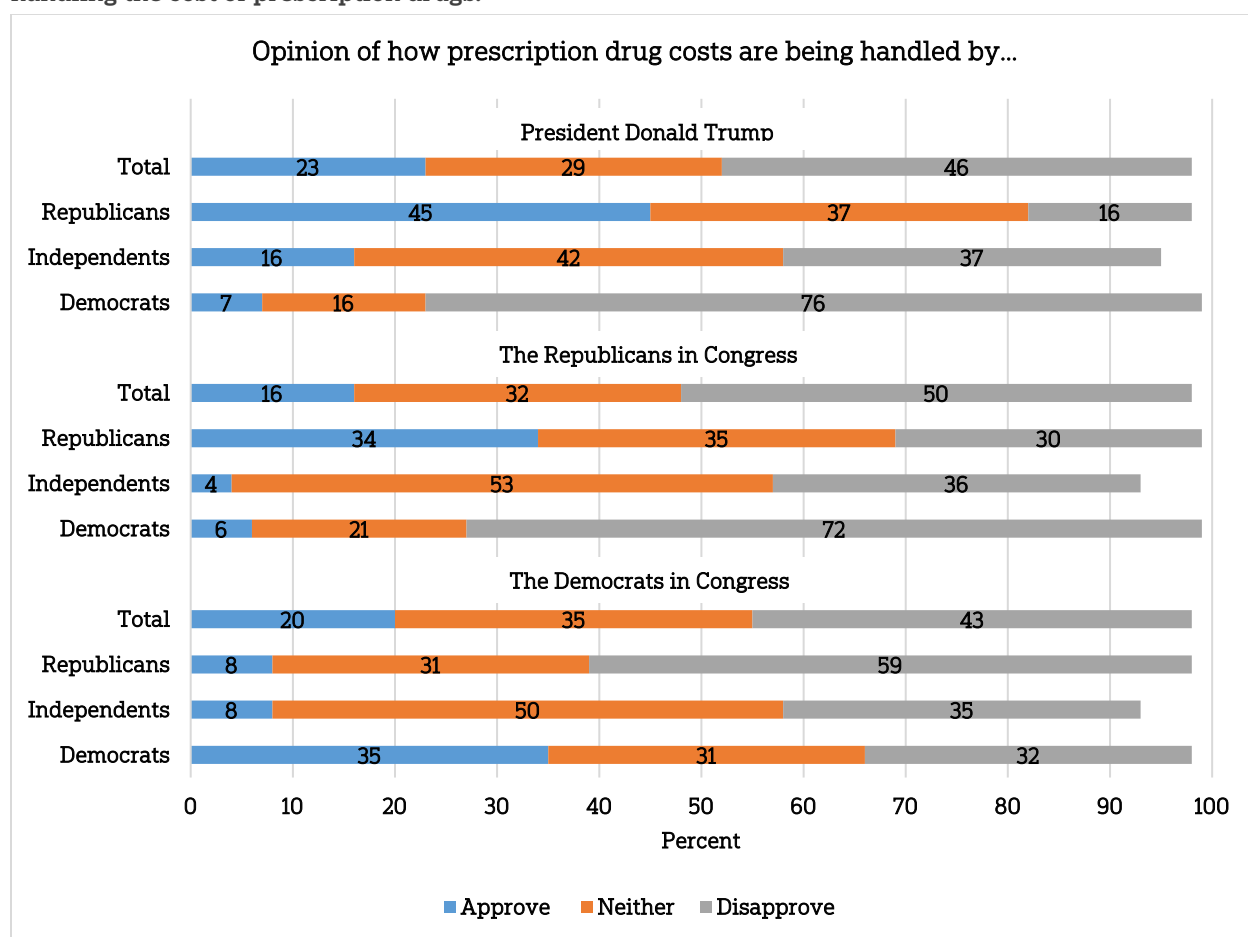
The issue worries most Americans; 65 percent report being extremely or very concerned about the issue, 24 percent are moderately concerned, and just 11 percent are not very or not at all concerned. Those who regularly take prescription drugs are more concerned about their cost than others (72 percent vs. 54 percent).

AMERICANS ARE UNHAPPY WITH HOW PRESIDENT TRUMP AND BOTH PARTIES IN CONGRESS ARE HANDLING THE COST OF PRESCRIPTION DRUGS.

Overall, the government gets low marks from Americans on prescription drug costs. Only 23 percent approve of how Mr. Trump is dealing with the issue, while 46 percent disapprove and 29 percent neither approve nor disapprove. Twenty percent approve of how congressional Democrats are handling the cost of drugs, 43 percent disapprove, and 35 percent are neutral. And efforts to deal with the cost of prescriptions by Republicans in Congress are seen positively by 16 percent and negatively by 50 percent, with 32 percent having with no opinion either way.

While Republicans express greater approval of Mr. Trump and congressional Republicans' handling of drug costs than do Democrats, neither the president nor the parties in Congress earn majority approval from any group.

Partisan differences emerge in how President Trump and the parties in Congress are evaluated on handling the cost of prescription drugs.



Question: Do you approve, disapprove, or neither approve nor disapprove of the way each of the following is handling prescription drug costs?

Source: National WHI/NORC survey conducted August 16-20, 2018, with 1,002 adults.

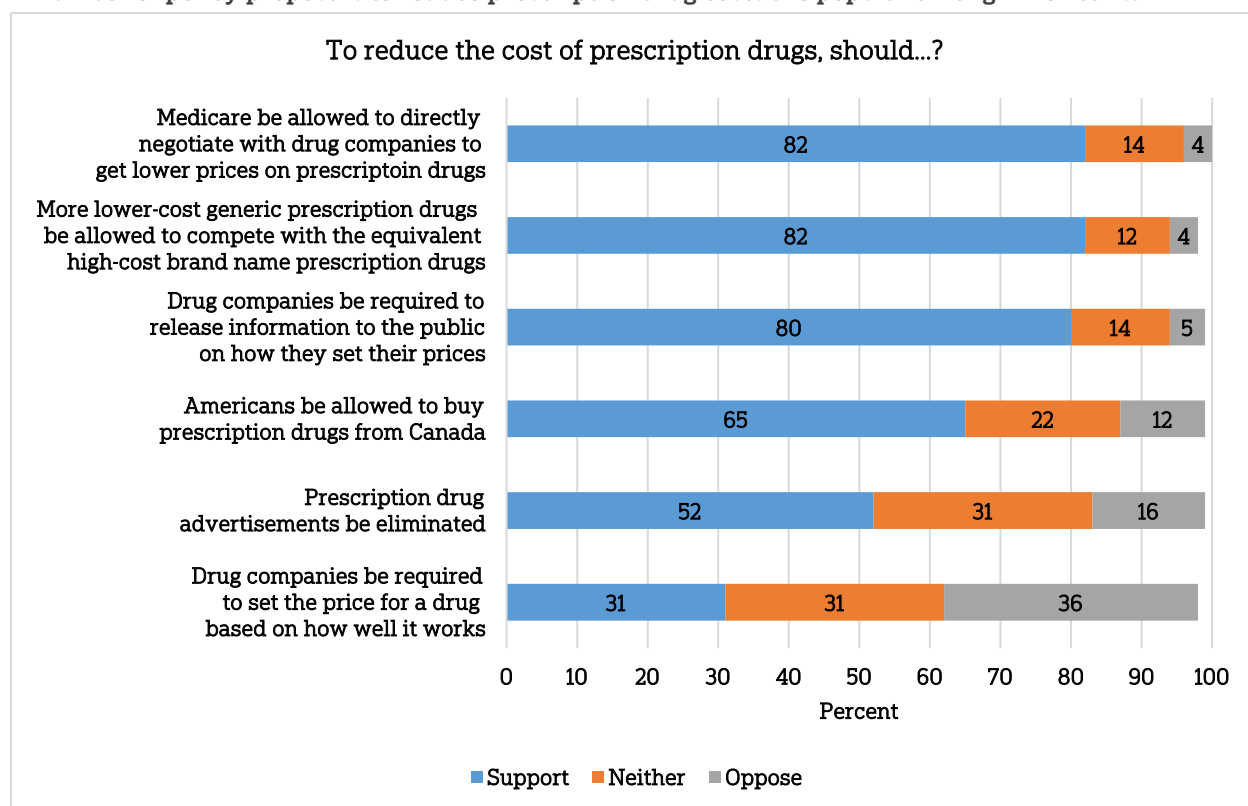
Looking ahead to the 2018 midterm elections, registered voters are more critical of how prescription drug costs are being handled by elected officials. Registered voters are about twice as likely as those who aren't registered to disapprove of how Mr. Trump (51 percent vs. 25 percent), Republicans in Congress (56 percent vs. 20 percent), and Democrats in Congress (47 percent vs. 24 percent) are managing the cost of drugs.

SEVERAL PROPOSALS TO LOWER THE COST OF DRUGS ENJOY LARGE SUPPORT FROM THE PUBLIC, INCLUDING ALLOWING MEDICARE TO NEGOTIATE WITH PHARMACEUTICAL COMPANIES.

When it comes to potential solutions for lowering the cost of prescription drugs, the most popular proposals are allowing Medicare to negotiate with drug companies to get lower prices, allowing more generics to compete with brand name drugs, and requiring more transparency on pricing from drug companies. Eight in 10 support each of these policies.

Smaller majorities favor allowing Americans to buy prescription drugs from Canada or eliminating prescription drug advertising, while just 31 percent say they support requiring drug companies to set drug prices based on patient outcomes, also known as “value-based care.”

A number of policy proposals to reduce prescription drug costs are popular among Americans.



Question: Do you support, oppose, or neither support nor oppose each of the following in order to reduce the cost of prescription drugs?

Source: National WHI/NORC survey conducted August 16-20, 2018 with 1,002 adults.

Partisan differences in support for these proposals are mostly negligible, though Democrats are more likely than independents to support Medicare negotiation (85 percent vs. 72 percent) and allowing more generics to compete with brand names (82 percent vs. 64 percent).

More than 90 percent of Americans age 65 and older favor both allowing Medicare to directly negotiate with pharmaceutical companies and permitting more generics to compete with higher cost brand name drugs, compared with about 80 percent of younger adults.

ABOUT HALF OF AMERICANS WANT PRESIDENT TRUMP AND CONGRESSIONAL CANDIDATES TO PUSH FOR MEDICARE NEGOTIATION.

Americans largely believe drug costs should be a key platform point for candidates. Eighty-eight percent say lowering the cost of prescription drugs should be a top or important priority for congressional candidates in their state, including 30 percent who say it should be the number one priority. Democrats are more likely than independents or Republicans to say this should be a high priority for candidates (93 percent vs. 79 percent and 86 percent).

Although allowing Medicare to negotiate for lower drug prices is one of the most popular policy proposals to reduce costs, the public is divided on how important it is for Congress and Mr. Trump to pursue it. Forty-eight percent consider it extremely or very important that congressional candidates support allowing Medicare to negotiate directly with drug companies, 29 percent say it's moderately important, and 22 percent regard it as not very or not at all important.

Similarly, regarding Mr. Trump's role, 50 percent think it's extremely or very important, 29 percent consider it moderately important, and 21 percent say it's slightly or not at all important for him to work toward allowing Medicare to negotiate for lower prices. Democrats are more likely than Republicans to say it's very important for Mr. Trump to work to allow Medicare to negotiate (58 percent vs. 42 percent).

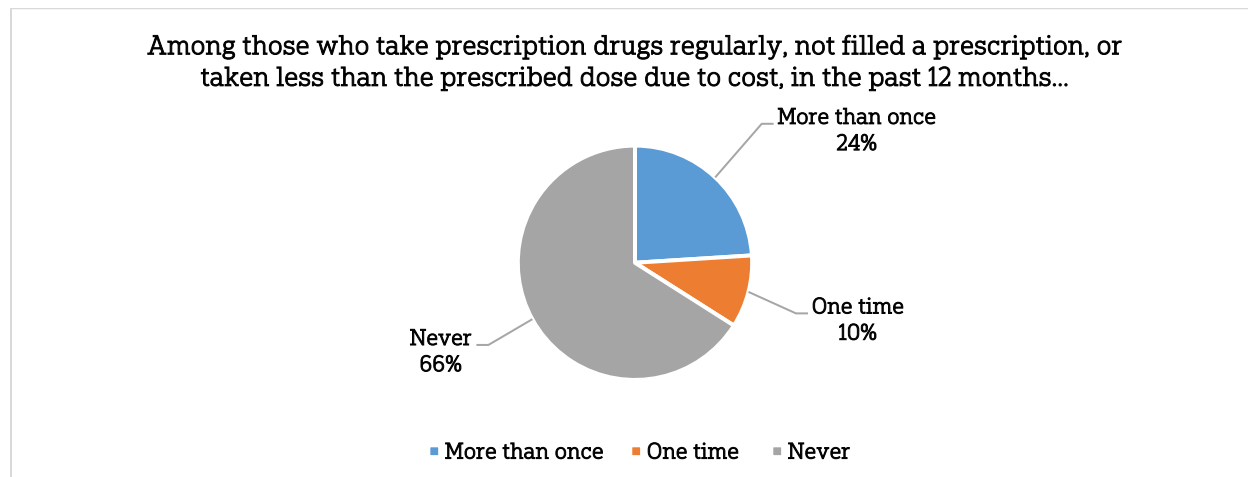
Thirty-nine percent of Americans age 65 and older say prescription drug costs should be the single top priority for congressional candidates; 27 percent of younger adults agree.

A THIRD OF AMERICANS WHO TAKE PRESCRIPTION DRUGS HAVE CUT DOWN ON THEIR MEDICATION DUE TO ITS COST IN THE PAST YEAR.

A majority of Americans (59 percent) report that they regularly take prescription drugs. And most have at least some help paying for them; 79 percent of American adults say they have insurance that covers prescription medications.

However, the cost of drugs can have significant consequences. Among the 59 percent of Americans who regularly take prescription drugs, 34 percent have not filled a prescription or have taken less than their prescribed dose in the past year because of the cost, including 24 percent who have done this more than once.⁴

⁴ An [earlier WHI/NORC survey](#) explored the impacts of health care costs on care decisions.

Some Americans have not filled a prescription or have taken less than prescribed due to drug prices.

Questions: Do you regularly take any prescription drugs, or not? IF YES: In the past 12 months, how often have you not filled a prescription or taken less than the prescribed dose of medicine because of the cost?

Source: National WHI/NORC survey conducted August 16-20, 2018, with 1,002 adults.

STUDY METHODOLOGY

This survey was conducted by NORC at the University of Chicago with funding from West Health Institute. NORC at the University of Chicago and West Health Institute collaborated on all aspects of the study design and reporting. Data were collected using the AmeriSpeak Omnibus®, a monthly multi-client survey using NORC's probability-based panel designed to be representative of the U.S. household population. The survey was part of a larger study that included questions about other topics not included in this report. During the initial recruitment phase of the panel, randomly selected U.S. households were sampled with a known, non-zero probability of selection from the NORC National Sample Frame and then contacted by U.S. mail, email, telephone, and field interviewers (face-to-face). The panel provides sample coverage of approximately 97 percent of the U.S. household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the USPS Delivery Sequence File, and some newly constructed dwellings.

Interviews for this survey were conducted between August 16 and 20, 2018, with adults age 18 and over representing the 50 states and the District of Columbia. All interviews were conducted in English by professional interviewers who were carefully trained on the specific survey for this study. Panel members were randomly drawn from AmeriSpeak, and 1,022 completed the survey—874 via the web and 128 via telephone. The final stage completion rate is 18.1 percent, the weighted household panel response rate is 28.0 percent, and the weighted household panel retention rate is 86.1 percent, for a cumulative response rate of 4.4 percent. The overall margin of sampling error is +/- 4.2 percentage points at the 95 percent confidence level, including the design effect. The margin of sampling error may be higher for subgroups.

Once the sample has been selected and fielded, and all the study data have been collected and made final, a poststratification process is used to adjust for any survey nonresponse as well as any noncoverage or under- and oversampling resulting from the study specific sample design. Poststratification variables included age, gender, census division, race/ethnicity, and education. Weighting variables were obtained from the 2018 Current Population Survey. The weighted data reflect the U.S. population of adults age 18 and over.

For more information, email info@norc.org.

ABOUT THE WEST HEALTH INSTITUTE

Solely funded by philanthropists Gary and Mary West, [West Health](#) includes the nonprofit and nonpartisan [Gary and Mary West Health Institute](#) and [Gary and Mary West Foundation](#) in San Diego and the [Gary and Mary West Health Policy Center](#) in Washington, DC. These organizations are working together toward a shared mission dedicated to lowering health care costs and enabling seniors to successfully age in place with access to high-quality, affordable health and support services that preserve and protect their dignity, quality of life, and independence. For more information, visit westhealth.org and follow [@westhealth](#).

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NORC at the University of Chicago is an independent research institution that delivers reliable data and rigorous analysis to guide critical programmatic, business, and policy decisions. Since 1941, NORC has conducted groundbreaking studies, created and applied innovative methods and tools, and advanced principles of scientific integrity and collaboration. Today, government, corporate, and nonprofit clients around the world partner with NORC to transform increasingly complex information into useful knowledge. NORC conducts research in five main areas: Economics, Markets, and the Workforce; Education, Training, and Learning; Global Development; Health and Well-Being; and Society, Media, and Public Affairs.