



benefitNEWS

## Slower Pharmacy Cost Increases Reported

According to a report that recently appeared in *Health Affairs* from the Center for Medicare Office of the Actuary, retail prescription drug spending grew only 0.4% in 2012 and was by far the slowest growing part of overall national health expenditures, which rose at an annual rate of 3.7%. This modest growth is in large part due to numerous drugs losing their patent protection and increased sales of lower-priced generics, observed CMS. Total expenditures on outpatient prescription drugs were \$263.3 billion in 2012, representing an increase of 0.4% from 2011 when prescription drug spending rose 2.5%.

According to the report, "this successful cost control is consistent with data demonstrating that savings from generic medicines are at an all-time high, reaching \$217 billion in 2012 and \$1.2 trillion over the most recent decade." Meanwhile, Medicare spending, which represented 20% of national health expenditures, grew 4.8% - compared with 5% in 2011 - to \$572.5 billion, despite a large uptick in enrollment, said CMS.

A copy of the full report is available [here](#), or visit [www.gphaonline.org](http://www.gphaonline.org).

Should you have any questions, please contact your Conner Strong & Buckelew account representative. To read about our Preferred Client Pharmacy Coalition click [here](#).



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