

# PRESCRIPTION DRUGS

## Consumer Alert

### HOW TO SAFELY SAVE MONEY

Consumers can enjoy substantial savings by comparison shopping for prescription drugs. Surveys done by this office showed that prices for the same prescription drug differed by as much as \$500 between pharmacies.

Most discount options are best for cash paying consumers who have no prescription drug coverage, but in some cases, consumers with insurance may benefit, too. This Alert shows you ways to safely save on your prescription medications.

#### 1. Know your rights

##### Michigan Law Requires Pharmacies to Share Drug Prices with Consumers

[Michigan law \(MCL 333.17757\)](#) requires a pharmacist to tell consumers the cost of a prescription drug when they ask in person or over the phone.

Michigan law also requires every pharmacy to clearly display your right to know how much it charges for prescription drugs. This notice must be posted at every counter where prescriptions are filled.

And when a pharmacy tells consumers how much it charges for a prescription drug, it must also let consumers know that they do not have to purchase their prescriptions at that pharmacy—and that consumers can use the price information to comparison shop.

If any pharmacy refuses to give you drug price information, you can [file a complaint with the Attorney General's office](#) by mailing us at the address listed at the end of this alert or by filling out an [online complaint form](#) at the Attorney General's website.



#### 2. Know the players and their motives

Increasingly, the drug industry has relied on discount programs—cards, coupons, and store savings—to sell products, steer customer traffic, build brand loyalty and, of course, make money.

Drug manufacturers offer coupons; retailers offer savings programs; marketing firms and prescription benefit managers offer discount cards.

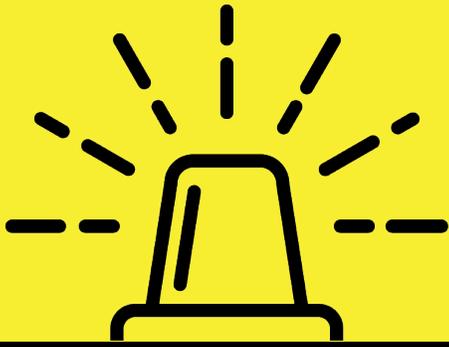
Drug manufacturers want you to use their coupons, available on their websites and at your doctor's office. One intent is to steer patients away from cheaper generic alternatives and toward the more expensive brands that they produce.

The tactic is to capture your interest in the brand name drug initially, then prices go up once the patient is no longer eligible or the coupon program ends.

If you have insurance, the coupon may lower what you pay, but not that of your insurance company who will have to pay the difference between the coupon discount and what you would have paid without the coupon.

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Attorney General





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In turn, those increased costs could get passed on in higher premiums.

In the long run, you have to do the math: it might be cheaper for you (and your insurance company if you have coverage) if you take a generic from the start.

Retail savings programs may offer very low prices—sometimes even free—on commonly prescribed drugs to get you in the door and on the hook for refills and new prescriptions.

These programs often require you to enroll and some require a modest fee. Any money the stores lose on prescriptions, they make up on impulse purchases or sales of other high-ticket items.

If you need a brand name or specialty drug, however, you are probably out of luck with these programs, since they usually only offer discounts on generic drugs that treat common conditions.

Prescription discount cards are offered by marketing firms and/or prescription benefit managers who make money when you use their card to get their discount.

The cards are free but not honored at many pharmacies, and because there are so many discount card options available, it is not easy to comparison shop at a pharmacy.

Finally, regardless of the discount source, under the federal anti-kickback law, the cards cannot be used by individuals receiving government funded health care and prescription drug benefits, like Medicare and Medicaid. Discount drug cards and manufacturers' coupons are discussed in further detail below.

### 3. Know where to look

#### Compare Prices on the Michigan Drug Prices Website

If you are without a pharmacy benefit or some form of prescription drug coverage, the [Michigan Drug Prices website](#) can help you save money. Maintained by the [Michigan Department of Health and Human Services](#) (MDHHS), the website helps consumers without a pharmacy benefit:

1. Compare local pharmacy prices on 150 of the most commonly prescribed prescription drugs in Michigan's Medicaid formulary;
2. Find a discount drug program at local retailers; and
3. Locate an assistance program to help get necessary medications.

The interactive website allows you to search for information on a particular drug by geographic region.

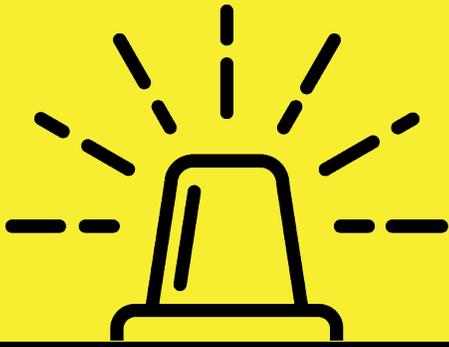
Searches on the [Michigan Drug Prices website](#) show that **prices for the same drugs can vary from pharmacy to pharmacy by as much as 500 percent.**

Because prices for prescription drugs change frequently, even daily, you need to know that the prices on the [Michigan Drug Prices website](#) reflect the price of the day the last prescription was filled and billed to the Michigan Medicaid Program. Thus, you should contact pharmacies directly to get current pricing.

#### Search for Discount Drug Sellers

Selecting "Retail Discount Drugs Programs," from the [Michigan Drug Prices website](#) homepage accesses an extensive list of steeply discounted drugs available at big chain retailers.

These retailers sell many generic drugs for \$4 for a 30-day supply or \$10 for a 90-day supply. One offers some antibiotics and pre-natal vitamins for free. You may search the discount drug sellers' portion of the website by retailer or drug category.



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### 4. Find legitimate online pharmacies and compare prices

It is not illegal to buy your prescription drugs online and, in some cases, significant savings can be made. Legitimate online pharmacies offer a private and convenient way to buy prescription medications at competitive prices, and they provide easy access for the elderly and those living in remote areas.



According to the National Association of Boards of Pharmacy, 96% of all online pharmacies don't comply with state and federal laws or patient safety standards.

The key is finding a legitimate, reputable online pharmacy. The US Food and Drug Administration's [BeSafeRx campaign](#) has an [online suite of materials](#) to educate consumers about the dangers of buying medicines from fake online pharmacies. In addition, the campaign provides resources for consumers to:

- [Identify the signs of a fake online pharmacy](#); and
- [Find a safe online pharmacy](#).

The FDA also cautions that once you have identified a state-licensed online pharmacy, you should also make sure the pharmacy:

- Requires a valid prescription from your doctor;
- Provides a physical address and telephone number in the United States; and
- Has a licensed pharmacist to answer your questions.

The [National Association of Boards of Pharmacy](#) (NABP) is another resource for how to safely buy prescriptions online and offers these additional tips:

- Look for websites ending in .pharmacy because those have special approval from the NABP (.com sites do not; but not all legitimate pharmacies use

the .pharmacy designation); and

- Look for pharmacies with a blue and red Verified Internet Pharmacy Practices Site (VIPPS) seal from the NABP.



### 5. Use a prescription discount card

Pharmacy discount cards are offered free (in most cases) to prescription drug consumers who do not have insurance or who have very high co-pays that exceed the discount prices.

They are not insurance cards and cannot be used to cover or reduce the cost of a co-pay if you do have insurance.

They can offer substantial savings, but beware there are scams and tradeoffs to know about and not all pharmacies will accept the cards or offer a discount if it prices a drug below the pharmacy's cost.

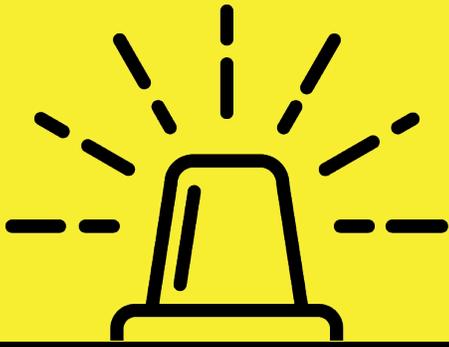


Scams use misleading advertising to confuse consumers into believing that a particular card is affiliated with Medicare, Social Security, or a legitimate insurance company, and must be bought for consumers to continue to receive benefits.

The people targeted—who typically already have Medicare or other insurance—get little or no benefit from the cards that are advertised online and free to anyone who calls a toll-free number.

Another drawback may be that despite advertisements to the contrary, an individual discount card cannot offer a reliable way to figure the best discount for any particular medication at a particular pharmacy, because each pharmacy has its own type of pricing.

This means that one discount card might get a better deal on Drug A at Pharmacy One, while another gets a



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better deal on Drug B at Pharmacy Two, but you won't know that unless you have used multiple cards, because even though Michigan law requires pharmacies to tell you what the pharmacy charges for a drug, pharmacies are not required to and will not tell you the discount prices and deals they've negotiated with individual discount card marketers.

Most discount drug cards advertise comprehensive price-comparison searches on their websites, but because discounts can shift daily and depend on sales volumes, customer traffic, and retail price changes, they are not reliable.

Finally, even though the cards are "free," the card issuers reserve the right to sell your data. So even if your name appears nowhere on the card, the minute you use the card to buy a prescription, the pharmacy—and the card issuer—have your name.

Marketers and others can get all sorts of information from a prescription—and that information can be resold or used for other purposes.

Bottom line: for those who lack insurance or have very high prescription drug co-pays, the benefits of a discount drug card can outweigh the drawbacks and possible loss of privacy.

### 6. Use a manufacturer's coupon

Manufacturer coupons are issued directly by a drug manufacturer and are available from the manufacturer or at a doctor's office.

They are usually for new and brand name only drugs. They can offer significant savings, with these limitations:

- They can't be used if you have Medicaid, Medicare, or any federal or state run insurance;

- They have limits (e.g., "save up to \$50") and may require you to provide your medical information to the manufacturer;
- They cannot be used forever, so your savings may stop at the end of six months or a year;
- If you have insurance, you cannot use the discounted amount toward any deductible you must meet; and
- They are often applied after primary insurance, so you can't use them if you do not have insurance.

### 7. Get assistance

The following organizations may be able to help or lead you to other available resources:

1. [MIChild](#);
2. [Social Security Administration](#);
3. [Medicare](#);
4. [Medicaid](#); and
5. [Partnership for Prescription Assistance \(PPA\)](#).

Reminder: You can [dispose of unwanted medications at your local Michigan State Police Post](#).

### For more information contact:

Consumer Protection Division  
P.O. Box 30213  
Lansing, MI 48909  
517-335-7599  
Fax: 517-241-3771  
Toll free: 877-765-8388  
[Online complaint form](#)



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