Study: Generic Statins Could Save Feds $8 Billion

BY JOYCE FRIEDEN
Associate Editor, Practice Trends

Medicare and its beneficiaries could save $8.2 billion under the new Medicare drug benefit if beneficiaries were prescribed generic statins for cholesterol reduction instead of name brands, according to a study from Consumers Union and Consumer Reports.

The cost of statins to Medicare and its beneficiaries is expected to be $14 billion in 2007, but could be cut to $5.8 billion if seniors received the generic drugs instead, according to the report. "For the Medicare drug benefit to continue without breaking the federal budget, it will be critical that medicines are prescribed based on their effectiveness and track record, not on advertising campaigns," said Gail Shearer of Consumer Reports.

The report also notes that monthly statin prescriptions rose 2.6% overall between the period from November 2004 to April 2005 and the period from May 2005 to October 2005. Some brand-name statins such as Lescol and Pravachol saw their prescriptions decline, while generic lovastatin prescriptions increased 15.2%, "a positive sign that doctors and payers are becoming more cost conscious."

In its analysis, the report assumes that not everyone will be able to switch to the generic statins. For instance, it assumes a 100% switch from Zocor to generic simvastatin when Zocor goes off patent this June, and a 50% switch from other statins to generic simvastatin. It also assumes that all Medicare beneficiaries on Lipitor who need only modest cholesterol reduction will be able to switch to generic lovastatin.

Prices for most statin drugs rose modestly during the study period, but some statin price increases exceeded the general inflation rate of 3.5%. For instance, Lipitor rose about 6%, while Pravachol rose about 7% (both increases reflect an averaging of all dose strengths), the study noted. ■