



July 2013

THE COST OF EMERGENCY CONTRACEPTION: Results from a Nationwide Survey

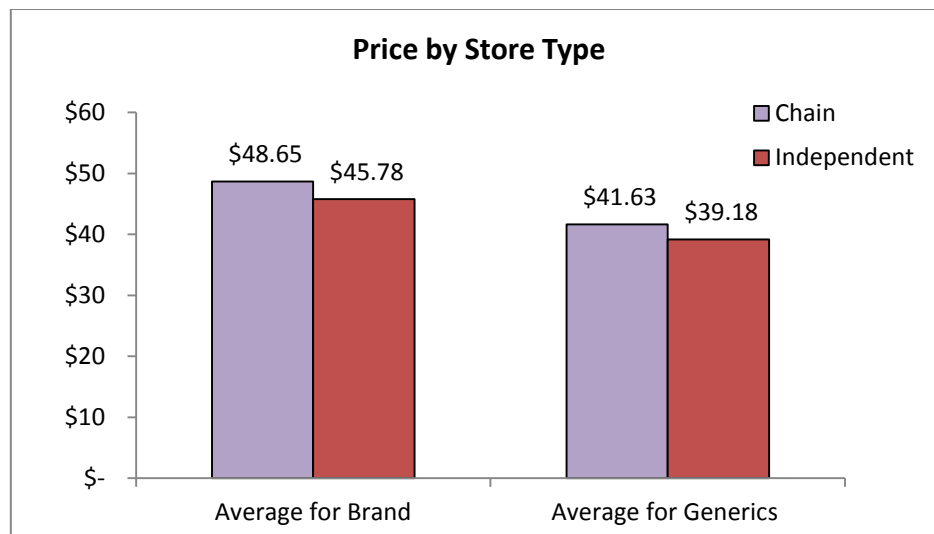
Summary and Key Recommendations

A nationwide survey of more than 400 retail pharmacies found that the **average price for the most commonly available emergency contraceptive (EC) product, the branded product Plan B One-Step®, is nearly \$48**. Generic EC products average somewhat (but not dramatically) less at \$41.

Even the lowest retail prices for EC are beyond the reach of many women. In order for EC to be truly accessible to all who need it, the generic products must be made available without restrictions on the shelf along with the branded products, and all **prices must be lowered to a more affordable level.**

Findings in Brief

- The majority of pharmacies included (78%) are part of a larger chain of stores
- The average price for the branded product (Plan B One-Step®) is \$48. Generic EC products cost only 14% less, at an average of \$41. According to the FDA, generic drugs typically cost 80-85% less than branded products
- Prices for the branded product range from \$32 to \$65, while those for generics range from \$26 to \$62



- Over one-third (38%) of the pharmacies called sell only the branded product; 20% sell only the generics
- Prices at chain stores were slightly higher (6%) than at independent pharmacies
- Among chain stores, average prices for the branded product were highest at Walmart (\$54) and lowest at Target (\$40). Prices for the generic products were highest at Walgreens (\$48) and lowest at Target (\$35)

Introduction

Cost is a key feature of access to any medication, and it is of particular importance for medications that are often purchased without insurance coverage, such as emergency contraception (EC). EC access in the United States is on the cusp of significant change, as Plan B One-Step® has recently (June 2013) been approved for sale on the shelf without age or point-of-sale restrictions. As of July 2013, the newly labeled product is already appearing on pharmacy shelves, and it is anticipated that it will be available throughout the country by August 1, 2013. This change will certainly make EC easier to purchase for many women as it will no longer be necessary to go to the store when the pharmacy is open, ask for the pill at the pharmacy counter, and show proof of age. But for others, price will remain a barrier. Full over-the-counter access to EC may mean that more women are paying for EC out-of-pocket, making price all the more important. In order to understand the pricing landscape prior to this change, the American Society for Emergency Contraception (ASEC) conducted a nation-wide pricing survey to assess the cost of EC at pharmacies throughout the country in June and July of 2013. Our goal is to monitor pricing over time to understand how, and if, the regulatory change affects the cost aspect of access to EC.

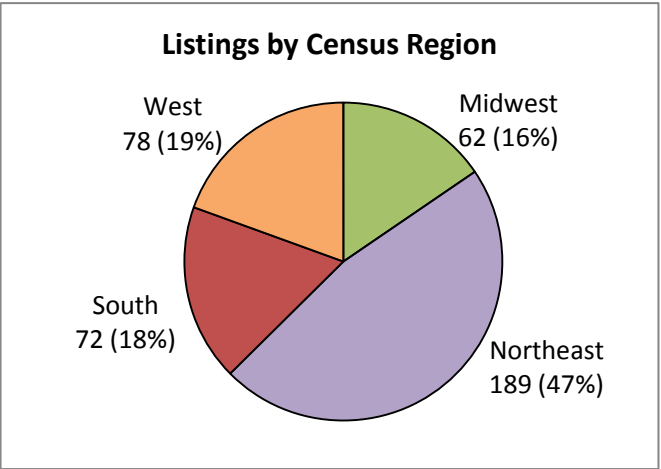
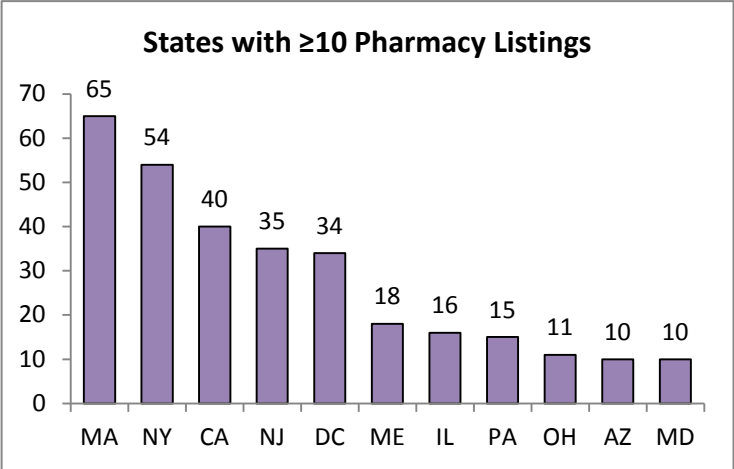
Methods and Participants

Volunteers were recruited through partner organizations to call pharmacies of their choosing and complete a data collection form using SurveyMonkey. Callers were given a script to follow, with prompts as needed. Eighty-one volunteers called more than 400 pharmacies in 33 states to collect information on which EC products they carry and how much each costs. Clinics and pharmacies associated with non-profit organizations are not included in this report.

If prices were reported that were substantially outside the typical range, we attempted to confirm these prices by calling the pharmacy again. If we were unable to confirm outlier prices, we removed them from the data. The final analysis data set included 404 pharmacies. Because some participants reported prices with tax and some did not, prices here may vary more than the true prices. This is a convenience sample, and it was not randomly selected, so we cannot be certain that it is representative of all pharmacy pricing for EC; however, we believe that this dataset is large enough to suggest the true price distribution.

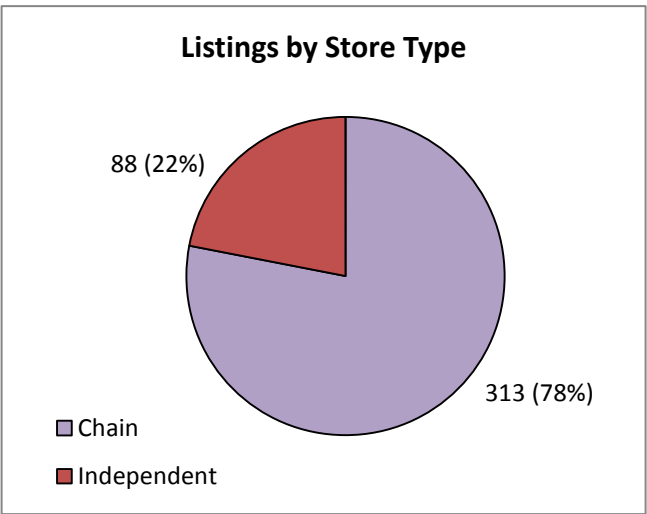
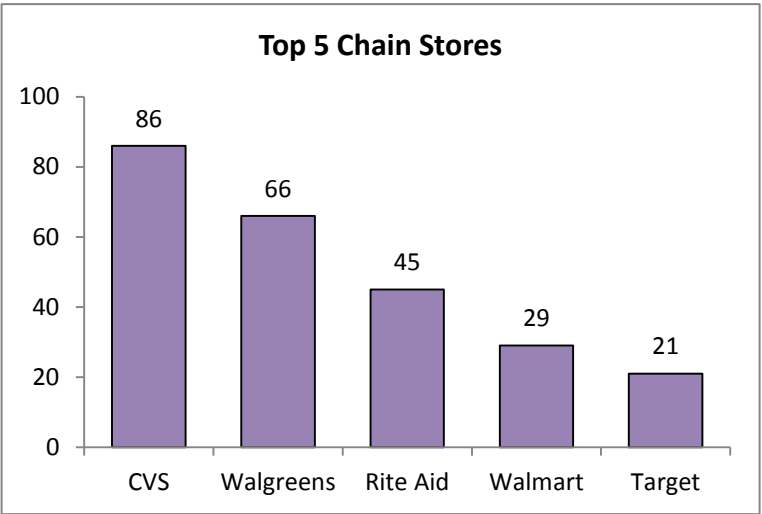
Geographical Distribution

Many participants called pharmacies within their geographical area, and many partner organizations are located in the Northeast. Therefore, this region is over-represented, comprising nearly half the sample. The states with the greatest number of pharmacies listed were Massachusetts (65 pharmacies), New York (54), and California (40).



Store Type

The majority of pharmacies (78%) included in this survey were part of a larger chain of stores. The most frequently-called stores were CVS (86 stores), Walgreens (66), Rite Aid (45), Walmart (29), and Target (21). For all other chains, fewer than 10 stores were called.



Background: Pharmaceutical Pricing

Pharmaceuticals are not sold directly by manufacturers to pharmacies, but follow a more complex supply chain. Simply put, manufacturers sell products to wholesalers, who then sell products to pharmacies. At each step in the supply chain, prices are negotiated through agreements between parties. Through each transaction, the price can be expected to increase before the consumer purchases the product. The Wholesale Acquisition Cost (WAC) is an estimate of the manufacturer's list price to wholesalers and other bulk purchasers; this price may be discounted by rebates or incentives. The wholesalers then sell drugs to pharmacies at a higher cost; the estimate of this cost is the Average Wholesale Price (AWP). Both of these are estimates, and the actual price charged at each point in the supply chain may be higher or lower than these figures. Manufacturers also negotiate prices with Pharmacy Benefit Managers (which provide pharmacy benefits through insurance companies) and with the government (for example, through the 340B program). These prices are often significantly lower than the price that a pharmacy or wholesaler would pay.

For emergency contraceptive products, these estimated wholesale prices are reported in RED BOOK Online¹ as follows:

Product Name	Formulation	Manufacturer/Distributor	WAC	AWP
Plan B One-Step [®]	Levonorgestrel, 1.5 mg	Teva Women's Health	\$32.50	\$39.00
Next Choice One Dose [™]	Levonorgestrel, 1.5 mg	Watson Pharma, Inc.	\$29.25	\$35.10
My Way [™]	Levonorgestrel, 1.5 mg	Gavis Pharmaceuticals, Inc.	\$29.25*	\$36.56
Levonorgestrel [™]	Levonorgestrel, 0.75 mg	Perrigo Pharmaceuticals	\$29.25	\$36.56
ella [®]	Ulipristal acetate, 30 mg	Watson Pharma	\$35.75	\$42.90

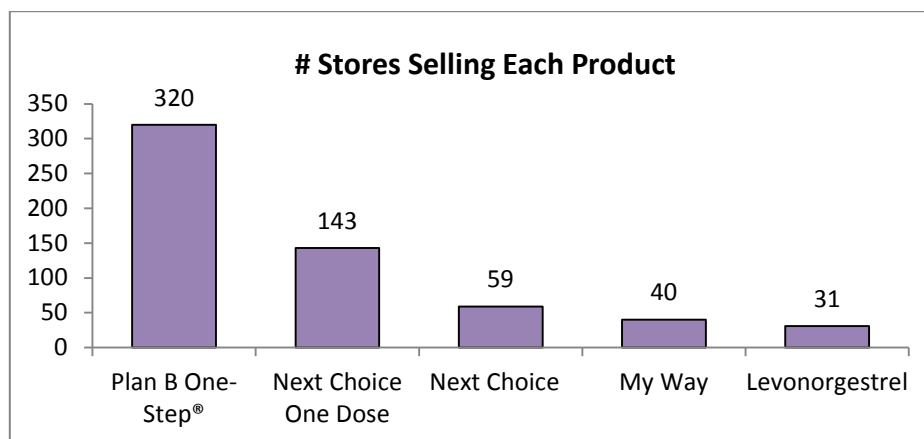
*WAC for My Way[™] is not listed in the RED BOOK, but is assumed to be the same as the other generic products.

¹ RED BOOK Online[®] is published by Micromedex[®] 2.0, Truven Health Analytics

Results

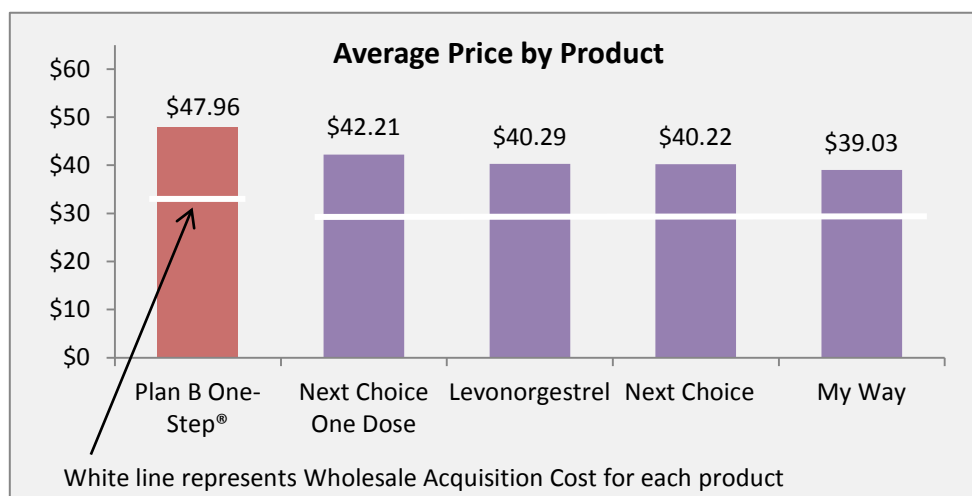
Product Availability

In our sample, the branded product (Plan B One-Step®) was by far the most frequently available ECP; 320 (79%) of the stores in our sample reported that they sell Plan B One-Step®, compared with 143 (35%) for Next Choice One Dose™ and 59 (15%) for Next Choice™¹. Over one-third (38%) of these stores reported that they sold the branded product only, and no generics. One-fifth (20%) of stores sell a generic ECP, but not the branded product. It is not known whether stores that currently sell only generics will begin selling Plan B One-Step®, which is approved for sale on the shelf without restrictions. The majority of stores (95%) did not mention stocking the prescription-only product ella® (ulipristal acetate), but many reported that they could order the product for next-day delivery.



Pricing by Product

On average, the branded product Plan B One-Step® was the most expensive levonorgestrel ECP, with a mean price of \$47.96 across all stores. The average for the generic products ranged from \$39.03 (My Way™, a 1-pill product) to \$42.21 (Next Choice One Dose™, also a 1-pill product). Because the number of stores selling generics other than Next Choice One Dose™ was relatively small, we combined all of the generic products together to compare them to the branded product. The average price for generics was \$41.20, just 14% less than the average price for the branded product. According to the FDA, the generic pharmaceuticals typically cost 80-85% less than their branded counterparts.² Among the few stores that did report a price for the prescription ECP ella®, the average price was \$50, only about \$2 more than the branded levonorgestrel product.

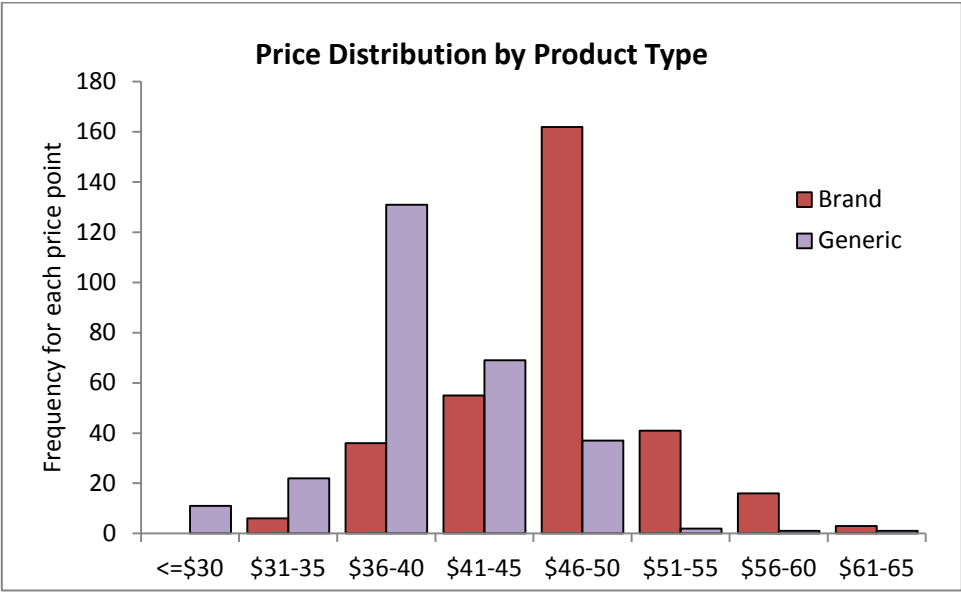


¹ The two-pill product Next Choice™ is no longer manufactured, and is being replaced by the one-pill product Next Choice One Dose™.

² <http://www.fda.gov/drugs/resourcesforyou/consumers/buyingusingmedicinesafely/understandinggenericdrugs/ucm167991.htm#ftnref3>

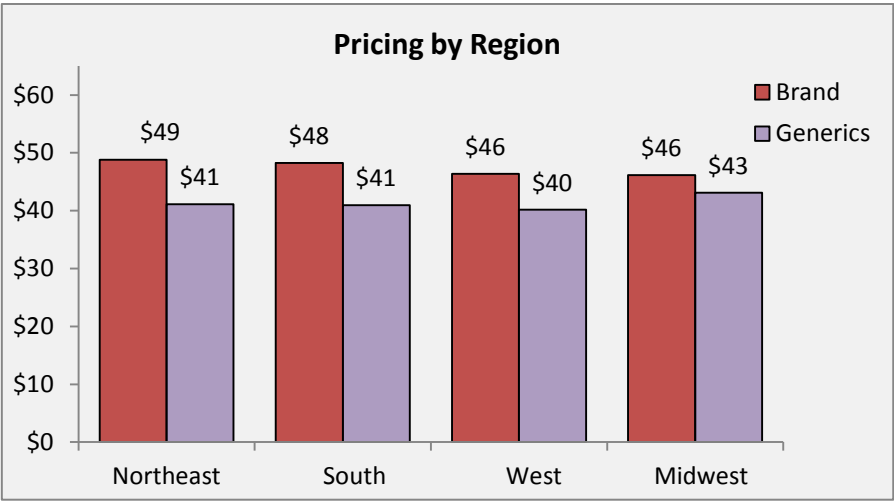
Pricing Distribution of Branded vs. Generic Products

The distribution of pricing for Plan B One-Step® compared with the generic products is displayed below; the bars represent how often each price was reported. The most frequently reported price for Plan B One-Step® was \$50, and the most common price for generic ECPs was \$40. The price for the branded product ranged from \$32 to \$65, while the generic products ranged in price from \$26 to \$62.



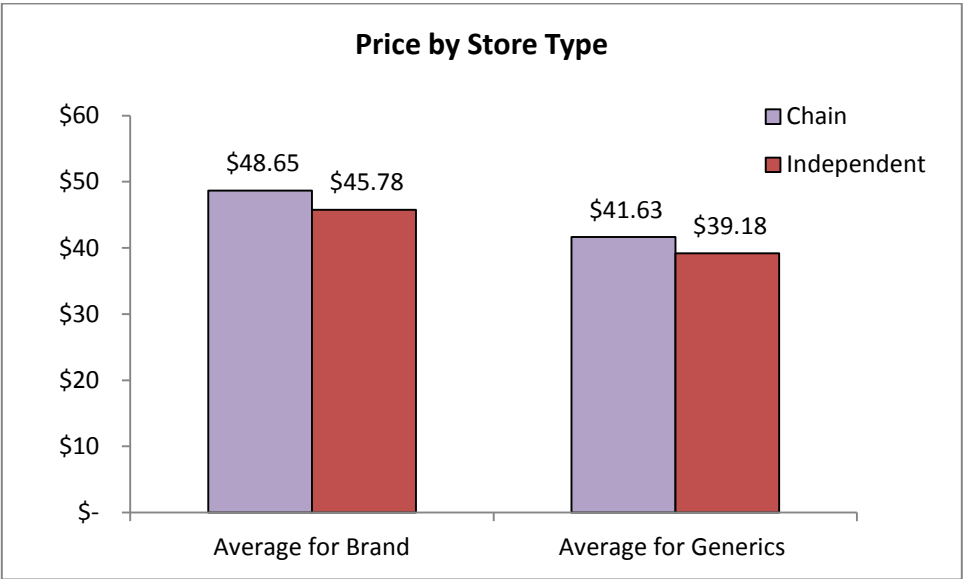
Pricing by Region

Prices did not differ substantially by region, although the price differential between the branded product and the generics did. The highest average price (\$48.83) for Plan B One-Step® was found in the Northeast, and the lowest (\$46.16) was in the Midwest. The greatest difference between the branded product and the generic products was also in the Northeast (\$7.72); this difference was the smallest in the Midwest (\$3.06).



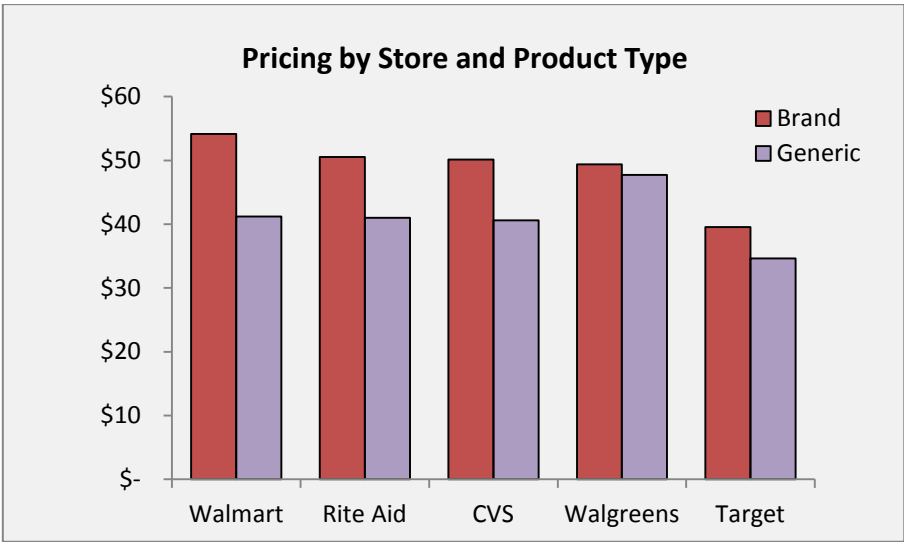
Pricing by Store Type

Average prices for both the branded and generic products were higher at chain pharmacies than at independent outlets. For the branded product, chains charged an average of \$48.61, while prices at independent stores averaged about 6% less, at \$45.78. For generic products, prices averaged \$41.65 at chain stores and \$39.18 at independent stores (also about 6% less).



Pricing by Major Chain Store

Among the five most common chain stores included in our data, Walmart had the highest average price (\$54.15) for the branded product, and Target had the lowest (\$39.55). Walgreens had the highest average price for generic products (\$47.73), and again Target had the lowest (\$34.64). The greatest price differential was found at Walmart, where the average price for the branded product was \$12.97 (24%) higher than the generic products. Between-store prices for the major chain stores all varied somewhat; it is possible that some (but not all) of this variation is due to inconsistency in whether prices were reported with tax included.



Conclusion

Advocates have worked for years to improve access to EC and remove unnecessary barriers. 2013 is a landmark year as the first EC product has been approved for sale directly on the shelf with no age or point-of-sale restrictions. As of this writing, only the branded product Plan B One-Step® is available on the shelf, while the generic products remain behind the counter with an age restriction. Not all stores in our sample sell both the generic and the branded products; 38% sell only the branded product, and 20% sell only the generics. It is not known whether the stores that currently sell only the generic will expand their selection to include the branded product, which will be the only product available without restrictions unless regulations change. It is our hope that soon all levonorgestrel EC products will be available without age restrictions or ID requirements.

While moving the product from pharmacy to shelf is a tremendous step forward, price continues to be a barrier. The introduction of generics has not dramatically lowered the price of EC; while generic drugs typically cost 80-85% less than their branded counterparts, this differential is only 14% for EC products. Therefore, even the lowest price in retail outlets is out of reach of many women. To make EC truly accessible for all who need it, prices must be lowered to a more affordable level.