Prescription Drug Costs and the Role of Generic Drugs:

Public Opinion Among Americans Aged 45 and Older

October 1, 2002
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AARP is a nonprofit, nonpartisan membership organization for people 50 and over. We provide information and resources; advocate on legislative, consumer, and legal issues; assist members to serve their communities; and offer a wide range of unique benefits, special products, and services for our members. These benefits include AARP Webplace at www.aarp.org, AARP Modern Maturity, and My Generation magazines, the monthly AARP Bulletin, and a Spanish-language newspaper, Segunda Juventud. Active in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP celebrates the attitude that age is just a number and life is what you make it.
Background

On July 31, 2002, the U.S. Senate passed legislation to speed the approval process for allowing safe and effective generic drugs to compete in the marketplace. While the Senate bill passed by a wide bi-partisan margin of 78-21, the House has yet to act on a companion bill. This nationally representative survey of Americans aged 45 and older explores public opinion surrounding this legislation, prescription drug prices, and the continuing importance of a Medicare drug benefit bill.

Key Findings

As prescription drug prices continue to rise dramatically in the United States, consumers are increasingly concerned with how to decrease their out of pocket costs for prescription drugs. More than eight in 10 Americans aged 45 and older (84%) believe very or somewhat strongly that making generic alternatives more available is an important part of the solution to rapidly increasing drug prices. Further, nine in 10 (90%) of the 45+ public would accept generic versions of the drugs they take in order to reduce out of pocket drug costs.

The public is also very concerned that high drug costs are making it more difficult for employers and insurance plans to provide affordable health care coverage that includes prescription drugs. More than nine in 10 Americans over 45 (92%) are concerned about this issue, and most notably, more than seven in 10 (72%) are very concerned.

How concerned are Americans about the impact of high drug prices on employer-provided health care coverage?

How strongly do Americans believe greater availability of generics would help combat increasing drug prices?

Very Strongly
Somewhat Strongly
Not Very Strongly
Not At All Strongly
Don’t Know/Refused
When it comes to generic drug legislation, two-thirds of the 45+ public supports legislation that would close loopholes used by some drug companies to prevent generic drugs from being made available to consumers. Moreover, immediate congressional action on this issue is clearly important to consumers:

More than 80% of Americans 45 and older believe that enacting legislation this year to make generic drugs more available is very (53%) or somewhat important (28%).

Further, two-thirds (67%) of Americans 45+ say that passage of generic legislation would be more important to them if Congress fails to enact a Medicare drug benefit this year.

In a related question, passage of a Medicare drug benefit continues to be important to older Americans. Nine in 10 (91%) Americans 45 and older think that passing legislation this year to add prescription drug coverage to Medicare is very important (76%) or somewhat important (15%).

With respect to the argument that increasing the availability of generics will lead drug companies to cut back on research and development of new drugs, nearly three-quarters (73%) of the public disagrees, believing instead that increasing the availability of generic drugs will result in lower drug costs for consumers and lower insurance costs. Only 16% indicate concern about cutbacks in research and development. In addition, more than seven in 10 Americans 45 and older (72%) think that pharmaceutical companies exert too much power over Congress, while only 11% disagree.

Finally, the importance of action on legislation to speed the entry of safe and effective generic drugs into the marketplace is highlighted by the fact that nearly one in four Americans 45 and older (24%) reported not being able to afford a prescription drug because no generic version was available.
Methodology

The questions on this survey were placed on the Excel and Centris omnibus surveys conducted by ICR of Media, Pennsylvania. A total of 1,046 interviews among adults aged 45 and over were completed from September 13 – September 17, 2002. The survey has a sampling error of plus or minus 3 percent. This means that in 95 out of 100 samples of this size, the results obtained in the sample would fall in a range of 3 percentage points of what would have been obtained if every person in the U.S. ages 45 and over had been surveyed. Responses to the survey questions are in the attached annotated questionnaire.

For more information about this study, contact Jeffrey Love Ph.D., AARP Knowledge Management: (202) 434-6279.
Annotated Questionnaire
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N = 1,046
Sampling error = ± 2.5 percent
* indicates less than .5%; percents may not add up to 100 due to rounding

Main Questionnaire

1. There is bi-partisan support in Congress for closing loopholes used by some drug companies to prevent generic drugs from being made available to consumers. Such legislation would in no way make generic drugs mandatory for consumers; it is simply designed to increase the choices consumers have when buying prescription drugs. Would you…?
   (READ LIST)
   
   %
   47 Strongly favor this legislation
   19 Somewhat favor this legislation
   8 Somewhat oppose this legislation
   15 Strongly oppose this legislation
   11 Don’t know (Volunteered)
   * Refused (Volunteered)

2. How important is it to you that Congress passes this kind of legislation this year? Would you say it is…?
   (READ LIST)
   
   %
   53 Very Important
   28 Somewhat Important
   7 Not very Important
   6 Not at all Important
   5 Don’t know (Volunteered)
   * Refused (Volunteered)
3. How strongly do you believe that making generic drugs more available is an important part of the solution to rapidly increasing drug prices? Would you say…?
   (READ LIST)

   %
   62 Very Strongly
   22 Somewhat Strongly
   5 Not very Strongly
   6 Not at all Strongly
   5 Don’t know (Volunteered)
   * Refused (Volunteed)

4. Which of the following statements do you most agree with? Statement X or Statement Z
   (READ STATEMENTS)

   Statement X: Many consumers and businesses support passing legislation to increase the availability of high quality generic drugs because they believe this alternative will result in lower drug costs for consumers and lower insurance costs.

   Statement Z: The drug companies say that increasing the availability of generic drugs will lead them to cut back on research and development of new drugs.

   Which statement do you agree with most?

   %
   73 Statement X
   16 Statement Z
   10 Don’t know (Volunteered)
   1 Refused (Volunteered)

5. How concerned are you about the impact of rising drug prices on the ability of insurance plans and employers to provide affordable health care coverage, including prescription drugs? Would you say…
   (READ LIST)

   %
   71 Very Concerned
   21 Somewhat Concerned
   3 Not very Concerned
   3 Not at all Concerned
   1 Don’t know (Volunteered)
   * Refused (Volunteered)
6. Do you think that pharmaceutical companies exert too much power over Congress?

<table>
<thead>
<tr>
<th>%</th>
<th>Yes</th>
<th>No</th>
<th>Don’t know (Volunteered)</th>
<th>Refused (Volunteered)</th>
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<tbody>
<tr>
<td>72</td>
<td></td>
<td>11</td>
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<td>17</td>
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7. Knowing that Medicare, the federal health insurance program for the elderly and disabled, does not cover prescription drugs, how important is it to you that Congress add a prescription drug benefit to Medicare this year? Would you say…?

(READ LIST)

<table>
<thead>
<tr>
<th>%</th>
<th>Very Important</th>
<th>Somewhat Important</th>
<th>Not very Important</th>
<th>Not at all Important</th>
<th>Don’t know (Volunteered)</th>
<th>Refused (Volunteered)</th>
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<td>76</td>
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8. If a Medicare prescription drug benefit is not enacted into law this year, would passing legislation this year to increase the availability of lower cost generic drugs be more or less important to you, or would it make no difference to you?

<table>
<thead>
<tr>
<th>%</th>
<th>More important</th>
<th>Less important</th>
<th>Would make no difference</th>
<th>Don’t know (Volunteered)</th>
<th>Refused (Volunteered)</th>
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<tr>
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</table>
9. When generic drugs are available, how often do you choose generics over brand-name drugs?
(READ LIST. ENTER ONE ONLY)

<table>
<thead>
<tr>
<th>%</th>
<th>Usually</th>
<th>Sometimes</th>
<th>Seldom or never</th>
<th>Don’t know (Volunteered)</th>
<th>Refused (Volunteered)</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td></td>
<td>17</td>
<td>12</td>
<td>4</td>
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</tr>
</tbody>
</table>

10. Have you ever not been able to afford a prescription drug because no generic version was available?

<table>
<thead>
<tr>
<th>%</th>
<th>Yes</th>
<th>No</th>
<th>Don’t know (Volunteered)</th>
<th>Refused (Volunteered)</th>
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<tr>
<td>24</td>
<td></td>
<td>74</td>
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</tbody>
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11. Are you willing to accept generic versions of the drugs you take in order to reduce your drug costs?

<table>
<thead>
<tr>
<th>%</th>
<th>Yes</th>
<th>No</th>
<th>Don’t know (Volunteered)</th>
<th>Refused (Volunteered)</th>
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<td>90</td>
<td></td>
<td>6</td>
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