

# Drugs cost up to 10 times more in US

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Prescription drugs cost up to 10 times more in the United States than they do in other countries, according to a new report.

The *2013 Comparative Price Report* was released last month by the International Federation of Health Plans (IFHP), an international trade association of health insurers. The findings are based on surveys of the prices of prescription drugs submitted by the federation's member plans.

Like prior IFHP surveys, the report found that the US has the highest drug prices and costs associated with medical care relative to other nations.

"The price variations bear no relation to health outcomes," said IFHP's chief executive, Tom Sackville. "They merely demonstrate the relative ability of providers to profiteer at the expense of patients, and in some cases reflect a damaging degree of market failure."

For example, while the average cost of the acid reflux drug Nexium was \$215 in the US, it was a mere \$23 in the Netherlands, \$42 in England, and \$58 in Spain. The average price of the multiple sclerosis medication Copaxone stood at \$3,903 in the US, but only \$862 in England, \$898 in New Zealand, and \$1,191 in Spain. The depression drug Cymbalta was sold for \$194 in the US, but for only \$46 in England, \$52 in the Netherlands, and \$110 in Canada.

Similar price discrepancies were found for Enbrel, used to treat autoimmune diseases, Gleevec, a cancer drug, Humira, prescribed for rheumatoid arthritis, Gilenya, a treatment for multiple sclerosis, and Celebrex, a pain drug.

The survey also compared the average hospital costs along with the prices of a number of medical procedures. The average hospital cost per day in 2013 was \$4,923 in the United States, while it was \$481 in Spain, \$702 in Argentina, and \$1,308 in Australia. The average cost of bypass surgery was \$75,345 in the US,

compared to \$15,742 in the Netherlands, \$16,247 in Spain, and \$42,130 in Australia. And while an angioplasty would run patients \$27,907 on average in the US, it would only be \$5,246 in Argentina, \$5,295 in the Netherlands, and \$8,477 in Australia.

In 2013, the year in which the survey data was drawn, the prices of 227 of the top branded drugs widely used by older patients in the United States went up by an average of 12.9 percent—eight times higher than the rate of inflation, according to a report presented to the Senate last year.

The disparity in drug costs between the US and other countries is widely recognized by Americans. According to a poll by Kaiser Health, 74 percent of those surveyed believe that people in the US pay higher prices than those in Canada, Mexico, and western Europe for the same prescription drug. The data from the IFHP survey corroborate these beliefs. The Kaiser poll also found that 72 percent of those polled thought that the cost of prescription drugs was unreasonable.

While the United States has the most costly health care system in the world, it consistently underperforms on most measures of health outcomes relative to other industrialized countries. This was emphasized in the Commonwealth Fund's *Mirror, Mirror* 2014 report, which assessed how the US health care system compared internationally.

"Among the 11 nations studied in this report—Australia, Canada, France, Germany, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, and the United States—the US ranks last, as it did in the 2010, 2007, 2006, and 2004 editions of *Mirror, Mirror*. Most troubling, the US fails to achieve better health outcomes than other countries, and as shown in earlier editions, the US is last or near last on dimensions of access, efficiency, and equity."



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