



OURx Bill of Rights

OURx Fast Facts

***Prescription drugs are more expensive than ever before.
Consumers, workers and seniors are paying the price.
Now is the time to act.***

Prescription drug costs are skyrocketing

- Between 1980 and 2002, US prescription drug purchases increased from \$12 billion to \$162.4 billion.
- American consumers paid \$48.6 billion in out-of-pocket prescription drug costs in 2002.
- Manufacturer price increases for existing drugs accounted for 26% of the increase in prescription drug spending between 1997 and 2001.
- Retail prescription prices increased an average of 7.3% a year from 1992-2002 – more than double the average inflation rate of 2.5%.
- 29% of Americans failed to fill a prescription in 2000 because they could not afford to do so.
- Prescription drug costs currently account for 10% of health care costs. They are estimated to reach a 15% share by 2010.
- 47% of large California employers that provide prescription drug coverage increased employee co-payments in 2002. 57% said they were somewhat or very likely to do so again in 2003.

Drug marketing and advertising are out of control

- The pharmaceutical industry employs 83,000 sales representatives and spends upwards of \$4.8 billion a year on one-on-one promotion to doctors. 20,000 of these representatives are in California.
- 61% of surveyed doctors reported receiving free meals, tickets to entertainment events or free travel from pharmaceutical representatives. Thirteen percent reported receiving money or in-kind benefits.
- Between 1994 and 2000, money spent on direct-to-consumer advertising of prescription drugs increased from \$266 million to \$2.5 billion.
- In 2000, 8 of 9 surveyed pharmaceutical companies spent twice as much on marketing, advertising and administration as on research and development.

Pharmaceutical companies are making record profits

- The top 25 pharmaceutical executives averaged nearly \$6 million in annual compensation in 2000.
- The Fortune 500 pharmaceutical companies' profits rose 33% in 2001, making it the most profitable industry in the world.
- For July 2003-June 2004, PhRMA has budgeted \$150 million nationwide in its various lobbying activities. This includes \$45 million to fight state efforts to lower drug prices.
- Over the past decade, drug companies have had median returns on investment of 18.5% - 5.6 times the median Fortune 500 rate.

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