

# Lower Cost, Over-the-Counter Contraceptives

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by Devon Herrick

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*Much ado has been made about Obamacare's mandate requiring most health plans to cover 100 percent of the cost of prescription contraceptives with no deductibles or copays. Many believe the mandate lessens an unfair burden on women. Some opponents of the mandate have religious convictions against contraception.<sup>1</sup> Others recognize that mandated benefits are not free; They come with costs that would be more efficiently borne by individuals.<sup>2</sup>*



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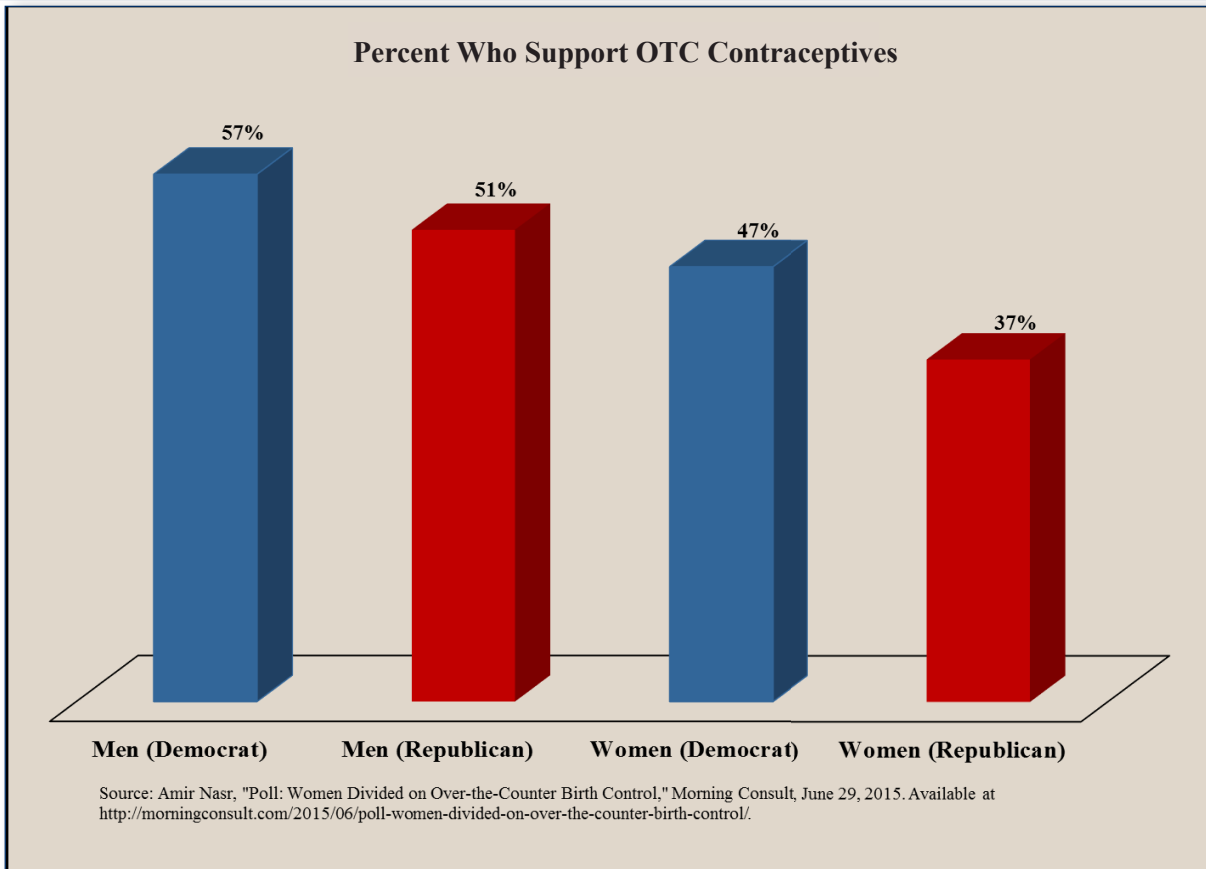
Senators Kelly Ayotte (R-N.H.) and Cory Gardner (R-Colo.) also want to make birth control pills more affordable — and accessible. And they have the perfect way to bridge these disagreements. They cosponsored Senate bill 1438, the *Allowing Greater Access to Safe and Effective Contraception Act*, to encourage and facilitate the sale of hormonal contraceptives over the counter (OTC) without a prescription.<sup>3</sup>

**Improving Access to Reliable Family Planning.** The idea of selling birth control pills over the counter has been around awhile and garners significant support. In a large survey of health providers, social services, academic researchers and advocacy organizations, more than half were “strongly in favor,” while 86 percent were either strongly in favor or somewhat in favor of allowing access to oral contraceptives over the counter.<sup>4</sup> Both Planned Parenthood and the American College of Obstetricians and Gynecologists (ACOG) believe oral contraceptives are safe enough for OTC access and have supported the idea under various conditions.<sup>5</sup> The debate has moved beyond health safety concerns to the question of who will pay for these contraceptives.

One would expect women to be the biggest supporters; but, oddly, men tend to favor the idea more than women. A majority of men support the proposal (both Democrats and Republicans); yet just under half of female Democrats and just over one-third of Republican women support the proposal. [See the figure.] However, ignoring political preferences, most people view it as a good idea. Indeed, a poll by Reason magazine found seven-in-10 of those surveyed believed it should be legal to purchase birth control pills and patches without a prescription.<sup>6</sup>

The so-called “Pill” turned 55 in May 2015.<sup>7</sup> The advent of oral contraceptives gave couples far better contraceptive options. The ACOG estimates nearly seven million American women use oral contraceptives.<sup>8</sup> This bill would potentially benefit them and possibly millions of others. Almost all sexually-experienced women of childbearing age have used contraceptives; many will use them for up to 30 years.<sup>9</sup> An estimated 95 percent of American women will take oral contraceptives at some time in their childbearing years.<sup>10</sup> The Alan Guttmacher Institute estimates that without effective contraception perhaps 70 percent of the 61 million

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U.S. women of childbearing age would be at risk for an unintended pregnancy.<sup>11</sup> That works out to a pool of roughly 43 million American women who potentially stand to benefit from access to hormonal contraceptives over the counter.<sup>12</sup>

Yet, as soon as Senate bill 1438 was announced, Senator Ayotte and her cosponsors were attacked. Cecile Richards, Planned Parenthood Action Fund president, said, "This bill is a sham and an insult to women." Interestingly, Planned Parenthood admits it actually supports allowing birth control pills to be sold without a prescription. It just doesn't like Senate bill 1438. According to Richards, "It would give women fewer birth control options and force women to pay twice for their birth control." The ACOG opposes the bill because it erroneously believes OTC contraceptives would be unaffordable.

Thus, an idea that all the parties would ordinarily agree on is being opposed on political grounds — merely because insurers would not be legally required to pay for contraceptives purchased without a prescription. In 2014, Planned Parenthood argued OTC birth control would "... force women to go back to the days when they paid out of pocket for birth control — which can cost upwards of

\$600 a year (equal to nine tanks of gas in a minivan)." That argument is misguided. Compared to OTC drugs, it is prescription drugs that are expensive.

**OTC Drugs Cheaper than Prescriptions.** The price of drugs fall precipitously after they become available over the counter. Purchasing medications without the need to first obtain a prescription is also more convenient. The Consumer Healthcare Products Association estimates that for every \$1 spent on an over-the-counter drug, consumers save \$6 to \$7 by avoiding higher prescription drug costs and unnecessary physician visits.<sup>13</sup>

Consider the case of OTC heartburn medications — most of which were originally available only by prescription. Making heartburn drugs available without a prescription saved consumers an average of \$174 per year in reduced drug costs and avoided office visits.<sup>14</sup>

For those with severe heartburn (called gastroesophageal reflux disease) proton pump inhibitors (PPIs) are the treatment of choice. These include such drugs as Prilosec, Nexium, Prevacid and Protonix. Proton pump inhibitors were among the most widely prescribed medications many years running. Prilosec was the second biggest-selling drug in 2001, with sales of \$3.7 billion.

PPIs were the second most popular class of drugs in 2003 with \$13 billion in annual sales.<sup>15</sup> Prescription PPIs were never cheap; a decade ago the monthly cost for Nexium was almost \$126 if purchased month to month.<sup>16</sup> Prevacid and Prilosec were similarly priced when they were prescription drugs. Protonix is now the only PPI currently available only by prescription, and the current price is more than \$300 for 30 pills.<sup>17</sup>

In fall 2003, Prilosec became the first PPI approved for sale without a prescription.<sup>18</sup> The price has fallen dramatically:

- After Prilosec began selling over the counter, the price soon fell from \$4 per capsule to 60 cents.<sup>19</sup>
- Name-brand Prilosec is available at Walmart, Target, Walgreens and Sam’s Club for \$0.55 to \$0.64 cents per capsule.<sup>20</sup>

The price is even lower for those who prefer to take generic Prilosec (omeprazole).

- Prices for omeprazole at Costco, Walmart and Target range from \$0.38 to \$0.45 cents per capsule, or roughly 90 percent less than price of prescription Prilosec.
- Vendors on Amazon and eBay sell bulk omeprazole from India for even less; for instance, one eBay vendor charges only \$22.45 for 600 tablets, or only 3.7 cents apiece — a 99 percent discount off the price of prescription Prilosec.<sup>21</sup>

Prilosec has been joined on pharmacy shelves by OTC Nexium and OTC Prevacid, which also sell for about 85 percent less than when they were prescription drugs.

Heartburn drugs in an older class (called H2 receptor antagonists) were also once available only by prescription. Examples include Zantac (ranitidine), Pepcid (famotidine) and Tagamet (cimetidine). Their prices were similar when they were only sold by prescription.<sup>22</sup> They too became much cheaper when they were approved for OTC sale.

Zantac was the world’s top-selling prescription drug in 1994, with sales of \$3.7 billion.<sup>23</sup>

- In 1994, the price of prescription Zantac was \$2.61 per daily dose.<sup>24</sup> Costco now sells a box of generic Zantac (ranitidine) tablets for \$10.49 — \$1.66 per month, or about a nickel per day.<sup>25</sup>

- When Tagamet lost patent protection in May 1994 and was approved for sale over the counter, the monthly price quickly fell from about \$83 per month to about \$8 to \$10 per month.<sup>26</sup>
- Various vendors on Amazon now sell a 570-tablet pack of generic Tagamet (cimetidine) at prices ranging from \$80 to \$90, including shipping.<sup>27</sup>

Similar examples of drastic price reductions when prescription drugs became available over the counter include such medications as nonsteroidal anti-inflammatory drugs, nicotine replacement, nonsedating antihistamines and many others.

**Allowing Greater Access to Safe and Effective Contraception Act.** S.1438 would live up to its name. However, it would not eliminate no-cost insurance coverage of women’s annual reproductive health wellness visits. Nor would it overturn the requirement for most health plans to cover prescription contraceptives. What the bill would do is allow women to conveniently purchase hormonal contraceptives at their local drugstores or other locations. Whereas prescription drugs are only available at 54,000 pharmacies across the nation, an additional 700,000 (nonpharmacy) retail outlets sell OTC drugs.<sup>28</sup> The proposal would also allow women to use their flexible spending accounts (FSAs), health savings accounts (HSAs) and health reimbursement arrangements (HRAs) to cover the cost.

Over-the-counter drugs are the most efficient way to treat many medical problems. Nonprescription drugs comprise only about 1 percent of our health care spending, yet nearly 80 percent of the time when Americans have a health ailment, they first reach for an OTC drug. Examples like these strongly suggest we are missing an opportunity to lower our prescription drug bills while boosting self-care and convenience.

**Conclusion.** Allowing sales of hormonal contraceptives over the counter without a doctor’s prescription would benefit millions of women. Prices for prescription drugs fall by 90 percent or more within months of losing patent protection and becoming available over the counter. Oral contraceptives would likely follow the same trajectory.

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*“Prices often fall dramatically when prescription drugs move to over-the-counter status.”*

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### Notes

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