

## Is Connecticut's Drug Spending Out of Control?

Last year, Connecticut's increase in prescription drug spending was 26<sup>th</sup> among the states – **right in the middle** -- with an increase of 16.4%. Nationally prescription drug spending grew 17.3%.

Retail prescription sales in Connecticut averaged \$614 for each Connecticut resident. Again ranking us 26<sup>th</sup> in the nation – **right in the middle**.

From 2000 to 2001, **32 states saw increases in average retail prescription prices higher than Connecticut's**. Nationally prices rose by 9.7%, in Connecticut by 8.8%

Connecticut's Medicaid pharmacy costs have increased by approximately 15% in FY 2002 contributing to an estimated increase in Connecticut's total Medicaid spending of only 5.3% -- **well below the US average** of 13.4%

All estimates of rising prescription costs do not reflect **savings in future years** from reduced hospitalizations and consumption of other health care services.

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### Bottom Line:

**Connecticut prescription spending is increasing at a lower rate than many other states.**

**Rather than part of the problem, increases in pharmacy costs are part of the solution – rising drug costs are offset by improvements in health status and decreases in hospitalizations and other health care services.**

#### Sources:

*Connecticut: Prescription Drug Trends*, Kaiser Family Foundation, State Health Facts Online, ([www.statehealthfacts.kff.org](http://www.statehealthfacts.kff.org))

Comprehensive Financial Status Reports, CT Department of Social Services.

*The Factors Fueling Rising Healthcare Costs*, April 2002, Price Waterhouse Coopers, prepared for the American Association of Health Plans

*Health Care Spending During 1991-1998: A Fifty State Review*, Martin, et. al. Health Affairs, July August 2002, 21:112-126.