

STATISTICAL BRIEF #144

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Trends in Brand Name and Generic Prescribed Medicine Utilization and Expenditures, 1999 and 2003

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Introduction

This Statistical Brief presents data from the Household Component of the Medical Expenditure Panel Survey (MEPS-HC) on brand name and generic prescribed medicine utilization and expenditures in the U.S. civilian noninstitutionalized (community) population in 1999 and 2003. Estimates were derived from the 1999 and 2003 MEPS prescribed medicines (PMED) files.

Only prescribed drugs obtained in an outpatient setting are included in the estimates provided in this brief. Insulin and diabetic supplies and equipment are included in MEPS prescribed medicines estimates. Over-the-counter medicines are excluded from these estimates as are prescription medicines administered in an inpatient setting or in a clinic or physician's office. Expenditures are in nominal dollars. All differences discussed in the text are statistically significant at the 0.05 level.

Findings

In 1999, 47.5 percent of the 276.4 million persons in the U.S. civilian noninstitutionalized (community) population purchased at least one brand name prescribed medicine during the year, and 46.9 percent purchased at least one generic prescribed medicine during the year. By 2003, the U.S. community population had grown to 290.6 million persons, and the proportion of persons purchasing at least one brand name drug increased to 53.4 percent. However, the proportion purchasing at least one generic drug did not change significantly when comparing the years 1999 and 2003. (figure 1)

Utilization of brand name prescribed drugs rose from 1.3 billion purchases to 1.7 billion purchases in the five-year span from 1999 to 2003. Generic drugs also increased in utilization, rising from 0.8 billion purchases to 1.1 billion purchases from 1999 to 2003. (figure 2)

When comparing the years 1999 and 2003, total expenditures increased significantly for both brand name and generic prescribed medicines. Brand name drugs total expenditures increased from

Highlights

- The proportion of the civilian noninstitutionalized population purchasing a brand name prescribed medicine increased from 47.5 percent to 53.4 percent when comparing the years 1999 and 2003; the proportion of the population purchasing a generic prescribed medicine did not change significantly when comparing the two years.
- From 1999 to 2003, the number of total purchases of brand name and generic prescribed medicines by the community population increased from 1.3 billion to 1.7 billion purchases for brand name drugs and from 0.8 billion to 1.1 billion purchases for generic drugs.
- Among the community population, total expenditures for brand name prescribed medicines and generic prescribed medicines nearly doubled in the five-year span from 1999 to 2003, going from \$75.5 billion to \$141.0 billion for brand name drugs and from \$18.8 billion to \$36.6 billion for generics.
- In the five years from 1999 to 2003, the average expense per purchase for brand name and generic prescribed medicines increased, with the average expense for a brand name rising from \$59.49 to \$82.53, and the average expense for a generic rising from \$23.48 to \$33.53.

\$75.5 billion to \$141.0 billion, and generic drugs total expenditures increased from \$18.8 billion dollars to \$36.6 billion. (figure 3)

In 1999, the average expense per purchase for a brand name prescribed drug was \$59.49, and the average expense for a generic drug was \$23.48. Five years later, in 2003, the average expense increased to \$82.53 for a brand name drug and \$33.53 for a generic drug. (figure 4)

Definitions

Brand name and generic prescribed drugs

Brand name and generic status was identified by linking the 1999 and 2003 MEPS Prescribed Medicines Files to the Master Drug DataBase, which is published by Medi-Span, for corresponding years. The Medi-Span Master Drug DataBase includes a Multi-Source Code variable. This variable allows a prescribed drug to be designated as 1) single-source, no generics available; 2) single-source, co-licensed; 3) original product, generic available; and 4) considered generic, multiple sources. For this brief, drugs falling into categories 1, 2, and 3 were considered brand name drugs, and drugs falling into category 4 were considered generic drugs.

Expenditures

Expenditures are in nominal dollars.

About MEPS-HC

MEPS-HC is a nationally representative longitudinal survey that collects detailed information on health care utilization and expenditures, health insurance, and health status, as well as a wide variety of social, demographic, and economic characteristics for the civilian noninstitutionalized population. It is cosponsored by the Agency for Healthcare Research and Quality and the National Center for Health Statistics.

For more information about MEPS, call the MEPS information coordinator at AHRQ (301-427-1656) or visit the MEPS Web site at <http://www.meps.ahrq.gov/>.

References

For a detailed description of the MEPS survey design, sample design, and methods used to minimize sources of nonsampling error, see the following publications:

Cohen, J. *Design and Methods of the Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 1. AHCPR Pub. No. 97-0026. Rockville, Md.: Agency for Health Care Policy and Research, 1997.

Cohen, S. *Sample Design of the 1996 Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 2. AHCPR Pub. No. 97-0027. Rockville, Md.: Agency for Health Care Policy and Research, 1997.

Cohen, S. Design Strategies and Innovations in the Medical Expenditure Panel Survey. *Medical Care*, July 2003; 41(7) Supplement: III-5–III-12.

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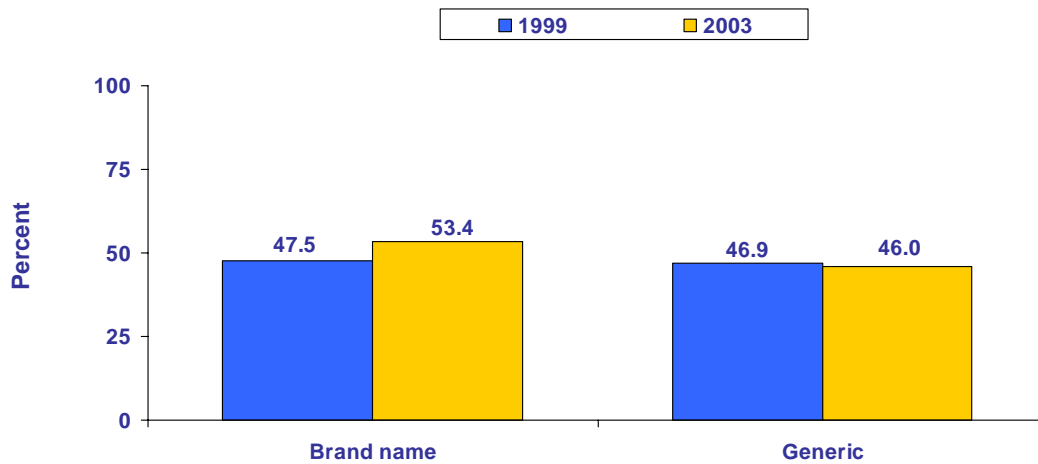
AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and

tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please e-mail us at mepspd@ahrq.gov or send a letter to the address below:

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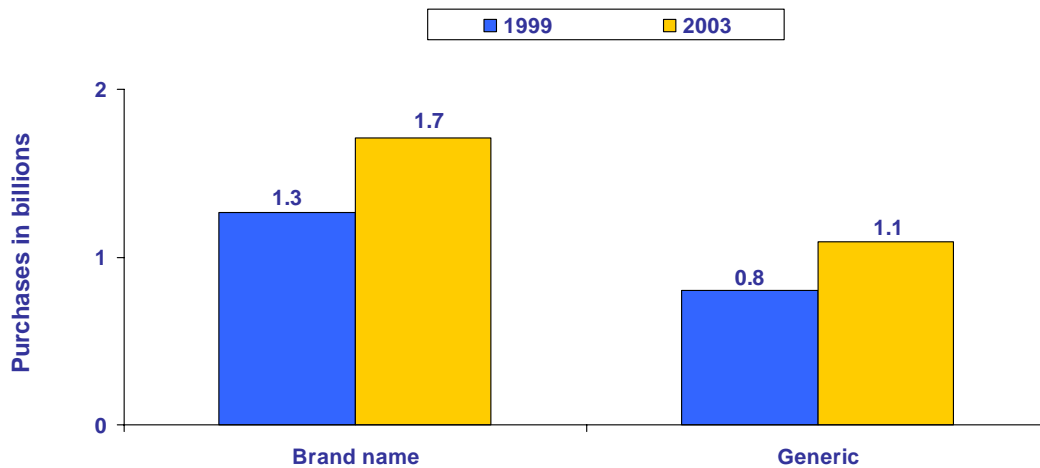
Figure 1. Percentage of U.S. civilian noninstitutionalized population with at least one brand name or generic prescribed medicine purchase, 1999 and 2003



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1999 and 2003.



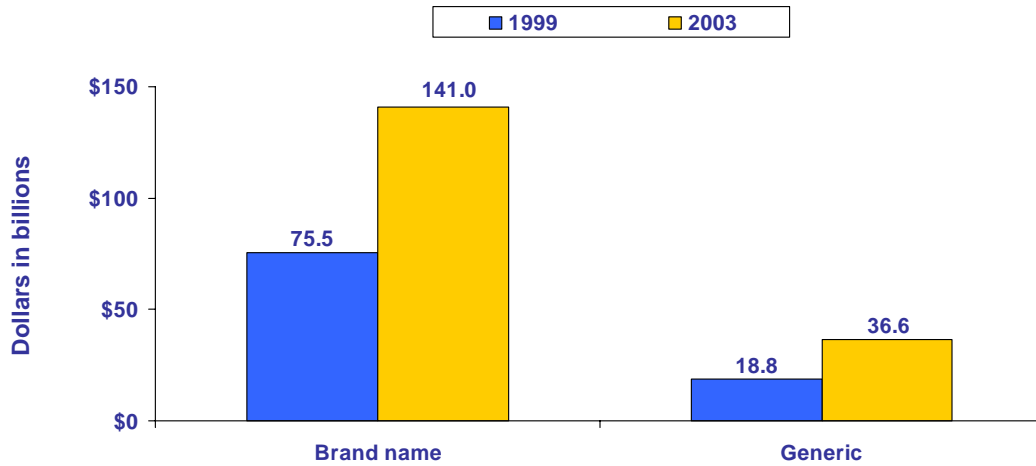
Figure 2. Total utilization for brand name and generic prescribed medicines in the U.S. civilian noninstitutionalized population, 1999 and 2003



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1999 and 2003.



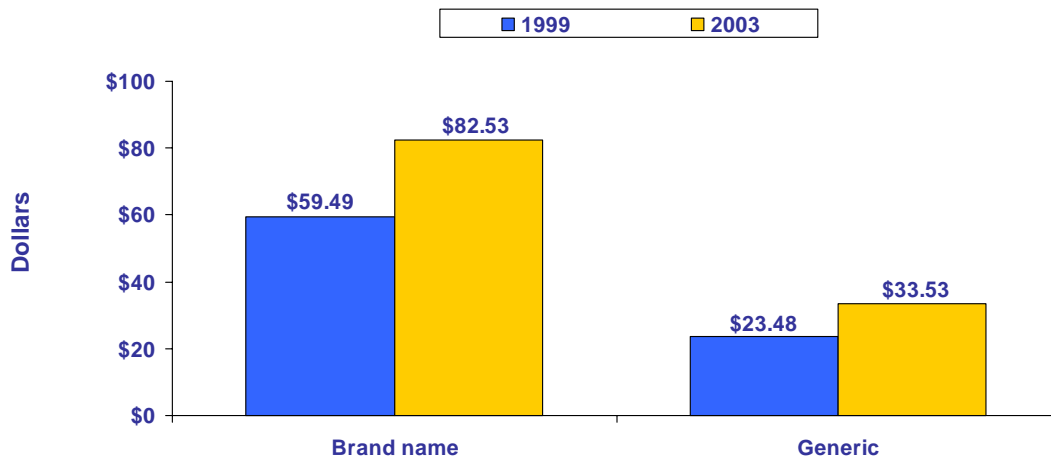
Figure 3. Total prescribed drug expenditures for brand name and generic prescribed medicines in the U.S. civilian noninstitutionalized population, 1999 and 2003



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1999 and 2003.



Figure 4. Average prescribed medicine expense per purchase for brand name and generic drugs, 1999 and 2003



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1999 and 2003.