

New over-the-counter benefit can ease drug costs for Costco employees



Costco is now providing benefit coverage for a limited number of over-the-counter (OTC) drugs, specifically certain allergy and heartburn/reflux medications that have been reclassified from prescription to OTC by the U.S. Food and Drug Administration. Treatment outcomes when using these OTC medications are often as effective as those experienced when using the prescription medications currently being prescribed for these conditions. In some cases, they contain the exact same active ingredient as the name-brand prescription.

Physicians are not in the habit of prescribing OTC medications for their patients, because employer health plans, like Costco's, traditionally have not offered coverage for them. Consequently, the more expensive prescription brand is prescribed, since it costs the patient less money than if they had to pay full price for an OTC drug.

"This practice is not logical for either the patient or the benefit plan," notes **Jay Tihinen**, assistant vice president of Benefits, "and in the long run it is more expensive for both of them." Costco is taking the lead in

this issue by changing our benefit plan so that the best option is also the least expensive option. "This will mean a significant savings, both to our employees and our benefit plans," Jay adds.

How much could you save? A one month's supply of the OTC products listed in bold print below will cost you \$0; those not bolded will cost you only \$3. You will save as much as \$25 per prescription by switching your current prescription brand to one of these.

For instance – if you are currently using the prescription drug Nexium, Costco pays, on average, \$175 a month for your 30-day prescription. You pay 15 percent of that, or \$26.25. If you switch to the similar over-the-counter drug Prilosec OTC, you would pay \$0, and Costco's benefit plan would save more than \$100, since its cost for Prilosec OTC is substantially less. Similar savings are available if you switch from an alternative prescription acid-reducing drug such as Prevacid or Aciphex.

"In a typical month, Costco's benefit plan pays for more than 2,000 prescriptions for acid-reducing medications, so you can see that the total potential savings for both employees and our benefit plan is enormous," says Jay. Similar savings are available on alternatives to non-sedating prescription antihistamines such as Clarinex, Zyrtec and Allegra.

Which over-the-counter drugs will be covered? How much will they cost?

Acid Blockers (alternatives to Nexium, Prevacid, Protonix and Aciphex):		Your cost
Prilosec OTC	20 mg	\$0
Kirkland Signature Acid Reducer Ranitidine Tablets	75 mg	\$0
Kirkland Signature Acid Controller – 240 Famotidine Tablets	10 mg	\$0
Zantac 150 Maximum Strength Ranitidine Tablets	150 mg	\$3
Pepcid AC Maximum Strength – Famotidine Tablets	20 mg	\$3
Pepcid Complete Acid Reducer plus Antacid Famotidine 10 mg	10 mg Famotidine/800 mg Calcium Carbonate/ 165 mg Magnesium Hydroxide	\$3

Allergy treatments (alternatives to Allegra, Allegra-D, Zyrtec, Zyrtec-D, Clarinex and Clarinex-D):		Your cost
Kirkland Signature AllerClear D24 DR	10 mg Loratadine/240 mg Pseudoephedrine Sulfate	\$0
Kirkland Signature AllerClear Non-Drowsy Loratadine	10 mg	\$0
Claritin Non-Drowsy 24hr	10 mg	\$3
Claritin-D24	10 mg Loratadine/240 mg Pseudoephedrine Sulfate	\$3
Claritin RediTabs 24hr Loratadine Orally Disintegrating Tablet	10 mg	\$3
Claritin-D 12hr	5 mg Loratadine/120 mg Pseudoephedrine Sulfate	\$3
Alavert Non-Drowsy Loratadine Orally Disintegrating Tablet	10 mg	\$3

How to switch?

"We encourage you to share this article and discuss these prescription options with your physician to determine whether one of these OTC medications is right for you or your family member," Jay explains. "If so, ask your physician to write you a new prescription for the OTC drug and then have it filled at a Costco pharmacy. This will help both you and Costco save money and go a long way toward helping to ensure that we can continue to offer the great health care benefits we have all come to expect as Costco employees."