



Industry Voices—To increase drug savings, show the cost of drugs and try a female doctor

By Hemant Bhargava, Mackenzie Clark Apr 25, 2025

Prescription drug costs continue to climb and are a growing burden on patients, employers and taxpayers.

Unlike other purchases, neither prescribers nor patients typically know the cost of a drug when it is prescribed nor the cost of comparable lower cost alternative drugs. Some progress is being made, but these efforts need to be accelerated to expand drug cost savings.

Drug cost transparency at the point of prescribing in electronic health records has been mandated to some extent by state and federal governments to reduce prescription drug costs in the U.S. Our research, completed in 2024 and based upon thousands of prescribers and their more than 1 million new prescriptions, indicates that actual delivery of these costs to busy prescribers is hit and miss depending upon the patient's health plan. Our research further documents that these cost transparency efforts, when well implemented, are substantially reducing costs and that there are several clear opportunities to expand these savings and benefits.

To begin, our research documented that there is substantial variability in costs between comparable drugs within a given category. Even moving between forms of the same drug (i.e., from tablets to capsules and vice versa) can materially impact costs. This variability shows the importance of delivering patient-specific drug costs and lower cost alternatives at the point of prescribing because a simple change in a prescription can deliver substantial savings.

Based upon our surveys and those of others, most prescribers want to see reliable drug costs when prescribing, yet they often see no drug costs or costs the accuracy of which they question. Rarely do they see appropriate lower cost alternative drugs although that is exactly what they want.

Our research examined pharmacy claims obtained from a collaborating large regional health plan and matched them to prescriptions where accurate drug and alternative costs were provided (Editor's note: The plan had no role in the analysis or its funding.) Prescribers regularly selected lower cost alternatives with documented savings of tens of millions of dollars.

Unfortunately, there is variability and inconsistencies at multiple points undermining savings. For example, in addition to the variability in different health plan's delivery of drug costs, prescriber-specific analysis shows that some prescribers are consistently using the drug cost information when it is provided to materially lower costs for their patients, while other prescribers appear to ignore these savings opportunities. Our analysis documents that if all prescribers used the drug cost information provided at the rate of the top third, the impressive savings already being achieved would increase by an order of magnitude. Also interestingly, our analysis documents that female prescribers select lower cost alternatives more frequently than their male counterparts.

There is also variability in savings between different electronic health records, including some with high, medium and low savings amounts. Since the drug, alternative and cost information sent to the electronic health records comes from the same health plan sources, variability is likely due to the specifics of the electronic health record's user interfaces, experiences and workflows.

Based upon our research, we recommend specific steps to expand drug cost savings from cost transparency as well as additional areas of research to further understand and then implement improvements to build upon this significant opportunity to reduce the cost of prescription drugs. These include:

1. Health plans should aggressively adopt robust drug costs transparency services for prescribers including a focus on providing lower cost alternative medications. They should document the use, impact and savings of drug cost transparency services, including detailed prescriber-level reporting to assist providers in maintaining a reasonable baseline of performance in using this cost information.
2. The federal government and states should align minimum standards for drug and alternative cost information delivered by health plans at the time of prescribing. Providing accurate and comprehensive drug and alternative costs at the point of prescribing should be a requirement for all health plans. Prescribers and patients have a right to know at the time of prescribing what drugs cost and if lower cost comparable alternatives are available.
3. Research should further explore and document the impact of the electronic health records in delivering drug costs to busy prescribers so that best practices can be created and adopted by the electronic health record industry.
4. Research should measure the downstream benefits of drug cost transparency and savings, particularly for the poor and vulnerable, because cost is a major factor in patients not taking their medications, falling ill and needing more aggressive and expensive care.

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