



NEW REPORT

# How High Prescription Drug Prices Hurt Children

July 2021

THE CAMPAIGN TO  
**Reduce** Drug Prices

  
**LITTLE LOBBYISTS**  
Advocating for Kids with Complex Medical Needs & Disabilities

 **MomsRising**

**PROTECT  
OUR CARE**

NEW REPORT:

## How High Prescription Drug Prices Hurt Children

The prescription drug pricing crisis impacts all Americans and children are no exception. [More than one in five](#) children take prescription medications, but rising costs push lifesaving drugs out of reach for many. Children living in households with annual incomes below [\\$40,000](#) have an increased likelihood of struggling to access prescription drugs. For the [11 million](#) children living below the federal poverty line, this struggle is intensified. [Nearly one in seven](#) children in the United States were already facing food insecurity prior to the COVID-19 pandemic, and for families experiencing rising drug costs, [32 percent](#) report spending less on groceries to afford their family's needed medications.

Children enrolled in Medicaid and CHIP are more likely to have access to their prescription drugs, however, the children's uninsured rate in states that have rejected Medicaid expansion is nearly [double](#) the rate in states that expanded the program. Between 2016 and 2019, the number of uninsured children increased by more than [700,000](#). The Urban Institute estimates that more than [6 million](#) people would enroll in Medicaid if the remaining states implemented expansion, including some children who are currently eligible for the program, but would newly enroll as their parents seek coverage.

Millions of American children depend on drug pricing reform to live healthy lives. The Lower Drug Costs Now Act (H.R. 3) would dramatically reduce the cost of prescription medications by empowering the federal government to negotiate prescription drug prices. Negotiation alone would save patients more than [\\$150 billion](#) at the pharmacy counter and create an additional [\\$500 billion](#) in savings for the federal government that could be reinvested to reduce premiums, expand Medicare benefits to include dental, vision, and hearing, and close the Medicaid coverage gap in the 12 states that have refused to accept expansion. Children cannot wait — we must act to lower prescription drug prices now.

## KEY POINTS

- **Economic and racial inequity limit access to needed medications for children.** [One in seven](#) children live below the federal poverty line. Factors contributing to systemic racism make children of color more than [twice as likely](#) to live in poverty. Children living in households with incomes below [\\$40,000](#) per year have an increased likelihood of struggling with prescription costs.
- **Big Pharma's price gouging puts millions of children at risk.** [More than one in five children](#) take prescription medication, many for chronic conditions. A recent report found that children zero to four are nearly [five times more likely](#) to experience anaphylaxis than their adult counterparts, but many parents are forced to send their children to school without lifesaving medications due to [EpiPen](#) price increases.
- **Government action is essential to improving health outcomes for children.** Even young children are being charged nearly [three times](#) what patients in other countries are spending on the same prescription drugs. Health coverage, specifically Medicaid and CHIP, helps shield children from pharmaceutical corporation's price gouging, yet more than [eight percent](#) of children remain uninsured in states refusing Medicaid expansion.

## Economic And Racial Inequity Limits Access To Needed Medications For Children

**Income And Racial Inequity Reduce Access To Prescription Drugs For Children.** In the United States, [one in seven](#) children live below the federal poverty line, making them the age group with the [highest poverty rate](#). Due to socio-economic and political circumstances contributing to systemic racism, this statistic is exacerbated for children of color. A prescription price increase of just \$10 can result in reduced ability to access prescription drugs, which can result in [fatal consequences](#), disproportionately impacting children living below the federal poverty line.

**Rising Prescription Drug Costs Exacerbates Food Insecurity For Children.** [Nearly a third](#) of Americans who are experiencing growing drug costs spend less on groceries to account for the increase. [Nearly 11 million](#) children in the United States were already facing food insecurity prior to the COVID-19 pandemic.

**Wealth Disparities Impact Children's Health.** Due to economic inequality, children living below the poverty line, even for brief periods, are more likely to have adverse health outcomes including higher rates of asthma and other chronic conditions, increasing the need for prescription medications. High health and prescription drug costs force millions of families to make impossible choices regarding their children's health care, often resulting in [economic instability](#).

### **Big Pharma's Price Gouging Puts Millions Of Children At Risk**

**Children Depend On Prescription Medication At High Rates.** [More than one in five](#) children under 18 take prescription medications. Some of the most common prescriptions are to manage asthma, allergic reactions, and central nervous system disorders.

**Asthma.** The most common prescription for children zero to 11 are [bronchodilators](#), commonly known as inhalers, used to treat asthma. A 2020 analysis found that costs for common inhalers have been on the rise. Between 2013 and 2018, the average cost of Advair increased [56 percent](#), from \$316 to \$496 for a single inhaler. The price of Flovent, another commonly used inhaler, soared 41 percent, from \$207 to \$292.

**Allergic Reactions.** An estimated [one in 13](#) children have food allergies. For many, access to an EpiPen can mean the difference between life and death. In 2014, the New York City Department of Health found that children between five and 17 were nearly [2.5 times more likely](#) to experience anaphylaxis than adults, with children zero to four nearly five times more likely to experience anaphylaxis. The popular auto-injector used to treat anaphylaxis, EpiPen, costs more than \$650 for a pack of two. Between 2011 and 2016, EpiPen's owner, Mylan, increased the drug's price [400 percent](#). In 2021, a class action lawsuit was settled for [\\$345 million](#) against three drug corporations for engaging in anti-competitive behavior around the price gouging of EpiPen.

**Attention Deficit Hyperactivity Disorder.** The most common prescription for children between the ages of 12 and 19 are central nervous system stimulants, commonly used to treat ADHD. The frequently prescribed drug Vyvanse has no generic alternative and has an average monthly cash price of more than [\\$400](#). Vyvanse was one of [Medicaid's 50 most costly drugs](#) for 2015, ranking at number three.

### **Government Action Is Essential To Improving Health Outcomes For Children**

**Health Coverage Increases Prescription Drug Access For Children.** Health coverage, specifically Medicaid and CHIP, helps shield children from pharmaceutical corporation's price gouging. Earlier this year, drugmakers raised the prices of hundreds of drugs. One [analysis](#) found that the U.S. saw brand name drug price increases surpass 900 in January 2021, the highest in over a decade. For children on [CHIP](#), there are limits on what families can be forced to pay for prescription drugs to ensure life saving medications are accessible.

**Children Rely On Government Health Coverage.** Approximately [38.5 million](#) children are enrolled in Medicaid or the Children's Health Insurance Program (CHIP). Nearly [2 in 5 children](#) in America have health insurance through Medicaid. [83 percent](#) of children living below the poverty line are covered by Medicaid, with [nearly half](#) of all children below three covered by the program.

**Medicaid Expansion Improves Outcomes For Children.** According to the Georgetown Center for Children and Families, in 2019, the child uninsured rate was [8.1 percent](#) in holdout states, compared to 4.1 percent in states that adopted Medicaid expansion. Medicaid expansion has demonstrated the ability to improve [racial health equity](#) outcomes, particularly disease-specific [diagnosis and treatment](#).

**Big Pharma Forces Families To Overspend On Drugs.** Even young children are being charged nearly [three times](#) what patients in other countries are spending on the same prescription drugs, producing worse health outcomes, especially for those with household incomes below \$40,000. Democratic leaders have proposed legislation to establish a [price ceiling](#) for all negotiated drugs by tying it to the average price in other countries and penalizing drug manufacturers who will not negotiate a fair price. [65 percent](#) of Americans favor tying what Medicare pays for prescription drugs to the amounts paid by other countries.

**Children And Families Need Action On High Costs.** [86 percent](#) of the public support the federal government negotiating lower prescription drug prices for Medicare recipients. H.R. 3 would save patients \$158 billion and reduce the price of the costliest drugs by as much as [55 percent](#).



**Families Do Not Trust Big Pharma.** [Three in four](#) Americans do not have faith in pharmaceutical corporations to do the right thing and set fair prices for their prescription drugs. [79 percent](#) of Americans say the cost of prescription drugs is “unreasonable”.