

Direct-to-Consumer Pharmacies May Lower Costs for Generic Prescriptions

Oncology medications showed the greatest median savings, reflecting the high cost burden often faced by patients undergoing cancer treatment.

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- Study compared direct purchase prices from Mark Cuban Cost Plus Drug Company to cost-sharing under employer-sponsored insurance.
- Researchers found significant savings were most common among prescriptions with higher out-of-pocket costs.
- Findings highlight opportunities for patients to improve prescription affordability.

The direct-to-consumer (DTC) pharmacy model, offering transparent cash pricing, may substantially reduce out-of-pocket costs for some patients taking generic medications, according to new research from The University of Texas MD Anderson Cancer Center.

In a large national analysis, researchers found that purchasing generic drugs directly through the Mark Cuban Cost Plus Drug Company (MCCPDC) would have resulted in lower out-of-pocket costs for nearly 80% of generic prescriptions when patient cost-sharing exceeded \$15. For prescriptions with the highest cost-sharing (\$100+), median out-of-pocket expenses were \$140 through insurance compared with just \$25 through the DTC pharmacy, representing a savings of more than \$100.

The study, co-led by [John Lin, MD](#), assistant professor of [Health Services Research](#) and [Genitourinary Medical Oncology](#) at UT MD Anderson, and Jenny Xiang, MD, assistant professor of Medical Oncology at the University of Colorado, was published today in the [Annals of Internal Medicine](#).

“Many patients assume that using their insurance will always result in the lowest cost for medications, but that is not always the case,” Lin said. “These data show that, for patients facing higher out-of-pocket costs, direct-to-consumer pharmacies can offer meaningful and sometimes substantial savings, helping improve access to essential medications.”

What are direct-to-consumer pharmacies?

Direct-to-consumer pharmacies allow patients to purchase medications directly at transparent cash prices without using insurance. These models aim to simplify pricing and reduce costs by eliminating intermediaries and clearly displaying the price patients will pay.

What are the key findings of this study?

Researchers analyzed 62.1 million generic prescription claims from a national commercial claims database and matched them with equivalent drug prices from MCCPDC. After exclusions, more than 60 million prescriptions were included in the analysis, with nearly 97% available through the DTC platform.

Overall, direct purchasing would have resulted in savings for about 15% of prescriptions, with relatively modest median savings of \$6. However, results varied substantially based on a patient's out-of-pocket cost burden.

For prescriptions with cost-sharing above \$15, savings were far more frequent. Nearly 80% would have cost less if purchased through MCCPDC. Relative savings in this highest-cost group reached a median of 85%.

The researchers also found that certain disease areas were disproportionately associated with both higher costs and larger potential savings. These included oncology, urology, psychiatry, neurology, gastrointestinal, endocrine, cardiology and transplant-related conditions. Oncology medications showed the greatest median savings, reflecting the high-cost burden often faced by patients undergoing cancer treatment.

What is the potential impact for patients?

The findings suggest that patients and clinicians should consider DTC pharmacy options when their copay or coinsurance exceeds \$15, particularly for higher-cost generic prescriptions where savings are most significant.

The study also highlights opportunities for physicians to discuss potential savings with patients in the clinical setting, researchers say.

What are the study's limitations?

The study was limited by the fact that the analysis assumed a shipping cost per prescription, which may overestimate patient costs when multiple medications are shipped together. Additionally, results may not generalize to patients with other types of coverage, such as Medicare or Medicaid, or to DTC models that focus on brand-name drugs.

A full list of authors, disclosures and supporting information is available with the paper in the [*Annals of Internal Medicine*](#).

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