



Economic Impact Group, LLC

Economic Consequences of Prescription-Only Pseudoephedrine Legislation

A policy discussion has recently developed in Oklahoma centered on the proposal to restrict access to pseudoephedrine (PSE)-containing cold, flu, allergy, and sinus medication to prescription-only. The Economic Impact Group, LLC released a report that attempts to contribute to the policy discussion by focusing on the economic impact of a prescription requirement. According to the study, the total cost of the additional doctor's visits under a prescription requirement could reach as much as \$59 million in the state.

Key findings from the report:

- **A prescription requirement that increases the share of VRTI episodes resulting in a physician visit by four percentage points could result in 296,775 additional doctor's visits, totaling \$59 million in direct expenditures for the state of Oklahoma** if a proposed prescription requirement for safe and effective medicines containing pseudoephedrine (PSE)—such as Claritin-D and Sudafed— were signed into law
- **Breakdown of expenditures:** \$5.3 million (9%) of the total expenditures will fall on Oklahomans as out-of-pocket expenses, \$27.7 (47 %) on private health insurance plans, \$12.9 million (22%) on Medicare, \$3.5 million (6%) on Federal Medicaid expenses, \$1.6 million (3%) on the state's Medicaid programs and \$7.6 million (13%) in additional costs spread out over other areas.
- **Wage and productivity loss:** Wage and productivity losses due to viral respiratory tract infections in Oklahoma range from \$227 million to \$400 million every year. Under a prescription requirement, these losses would inevitably rise considerably.
- **Methamphetamine would still be available under a prescription requirement:** Under a prescription requirement, meth users would still be able to obtain the drug from other sources, such as Mexican drug trafficking organizations.
- **A prescription mandate would not significantly reduce meth abuse:** A prescription mandate would not significantly reduce overall meth abuse figures in the state, yet significantly raise liabilities.

The Economic Impact Group, LLC, is an Oklahoma City based consulting firm specializing in policy analysis, regional forecasting, impact studies, and forensic economics. The firm was founded in 2005 by Kyle D. Dean and Russell R. Evans, who currently serve as the Associate Director and Executive Director, respectively, of the Steven C. Agee Economic Research and Policy Institute in the Meinders School of Business at Oklahoma City University. This study was funded by a grant from the

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