



# The Value of OTC Medicines

Over-the-counter (OTC), or nonprescription, medicines are products that consumers can purchase in pharmacies, supermarkets and other retail stores as well as online without a prescription.<sup>1</sup> OTC medicines are deemed safe and effective treatments by the U.S. Food and Drug Administration and other health authorities around the world. These medicines treat common, self-treatable health conditions and symptoms such as the common cold, minor pain, allergies, and other conditions that impact large segments of the population.<sup>2</sup>

OTC medicines are a critical component in advancing consumer health because they allow people to treat or manage many health conditions conveniently and successfully. Because they enable people to self-treat, OTC medicines save health systems valuable resources and can save consumers time and money. While OTC medicines are an important part of the care continuum, a healthcare professional's advice should always be sought for serious conditions, or when common ailments persist.

OTC medicines have played a significant role in expanded access to safe and effective treatments in developing regions of the world. Many people in these regions do not have access to health services and rely heavily on self-care and self-medication, and OTC medications provide valuable resources to address health conditions.<sup>3</sup>

**OTC medicines provide consumers safe and effective treatments for commonly occurring conditions, saving them time and money that might otherwise be invested in other, more expensive health services.**

## Societal Health Impact

OTC medicines provide easier access to treatment options for common conditions, offering not only convenience, but also timely treatment and relief for sudden symptoms or minor ailments.<sup>4</sup> Research shows that 81 percent of adults use OTC medicines as a first response to minor ailments. And one U.S. study analyzing the seven most common acute and chronic, self-treatable conditions found that 92 percent of those who use OTC medicines in a given year would seek other, likely more expensive, treatment elsewhere if OTCs were not available.<sup>2</sup> If OTC medicines were not available, the increase in consumers seeking prescriptions for self-treatable conditions would cause a surge in office visits that would require 56,000 additional full-time medical professionals to accommodate.<sup>2</sup>

## KEY TAKEAWAYS

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OTC medicines help reduce health care costs by offering safe, effective medicines to over 180 million people for commonly occurring conditions.<sup>2</sup>

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9 out of 10 consumers in Europe view self-care as a vital part of the management and prevention of both minor ailments and chronic conditions and diseases; OTC medicines help fulfill growing consumer appetite for self-care.<sup>5</sup>

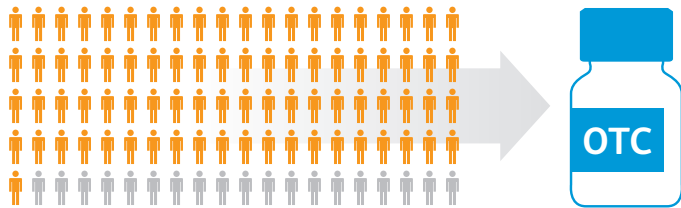
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\$1 spent on OTC medicines equals \$6 to \$7 in savings for the U.S. health system due to fewer physician visits and spending on more expensive care.<sup>2</sup>

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A study of seven European countries found that increased self-medication could save more than €11.5 billion annually.<sup>22</sup>

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## Research shows that 81% of adults use OTC medicines as a first response to minor ailments

Consumer Healthcare Products Association. Statistics on OTC Use. <http://www.chpa.org/MarketStats.aspx#access>

Not only are OTC medicines important to ensuring that consumers have the ability to access care that can be self-managed outside of a doctor's office, but they are important to fulfilling consumers' growing desire to treat their own medical conditions. A survey that tracks the opinions of European consumers found that nine out of 10 consumers view self-care as a vital part of preventing both minor ailments and chronic health conditions and managing their symptoms.<sup>5</sup> As the health care landscape evolves and consumers more proactively seek health information, use new technologies, and expect to live longer and more productive lives, OTC medicines are an important way to meet these demands and engage consumers in their own health care. This is especially important given that evidence has shown that patients who are more actively engaged in their health care experience better health outcomes and lower costs.<sup>6</sup>

### Health Care Professional Perspectives

Physicians recognize the important role OTC medicines play in treating patients and serving as a trusted, first line of defense for many minor ailments. In a survey of U.S. primary care physicians, 75 percent would recommend an OTC product prior to prescribing a medicine to relieve their patients' symptoms for ailments such as allergies, pain, cough and cold, and acid reflux/upset stomach.<sup>7</sup>

Pharmacists are also a critical component to realizing the benefits of OTC medications. They assist patients by navigating the many product options and recommending the right medication for an individual's needs. Pharmacists are available to provide safety information by identifying possible drug interactions between OTC products or between an OTC product and a prescription drug, food, or dietary supplements.<sup>8</sup> They are the face of health care in the pharmacy; they provide unparalleled access to professional advice and deliver valuable consultation at the moment of a prescription



If OTC medicines were not available, more consumers would seek prescriptions, causing a surge in office visits that would require 56,000 additional full-time medical professionals to accommodate.

Source: Consumer Healthcare Products Association. The Value of OTC Medicine to the United States, January 2012. Retrieved from [http://www.yourhealthathand.org/images/uploads/The\\_Value\\_of\\_OTC\\_Medicine\\_to\\_the\\_United\\_States\\_BoozCo.pdf](http://www.yourhealthathand.org/images/uploads/The_Value_of_OTC_Medicine_to_the_United_States_BoozCo.pdf)

or an OTC medication purchase. With the growth of pharmacy retail clinics, nurse practitioners are an additional advocate for self-care.

Although the percentage of the world's population without access to essential medicines has fallen from an estimated 37 percent in 1987 to around 30 percent in 1999, the total number of people without access remains between 1.3 and 2.1 billion people,<sup>9</sup> and these people rely heavily on the existence of OTC drugs that can be found in local stores. A number of studies have suggested that OTC medicines have significantly reduced the "time to treatment" for deadly infectious and parasitic diseases in countries where access to health facilities are poor.<sup>10</sup> These differences have also been shown to impact health expenditures for poor households, severity of disease, and even mortality.<sup>11</sup> Barriers to effective medicines have been highlighted as a significant cause of health disparities globally.<sup>12</sup> The issue of distance is not just a problem confined to poorer countries, with a recent study looking at rural North Dakota suggesting that the average distance an elderly person travels for the routine management of a chronic condition is nine miles.<sup>13</sup>

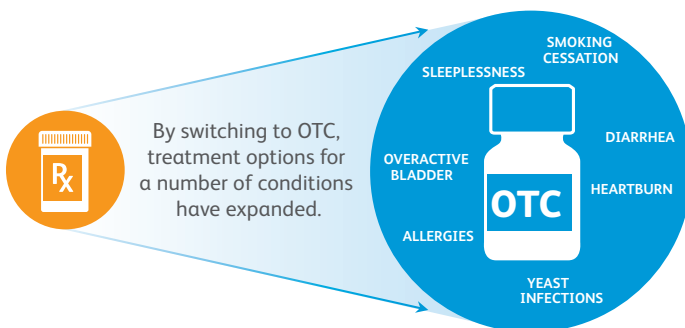
Greater recognition is being given to the importance of consumer empowerment and the positive role of self-care and self-medication in improving individual and public health. Regulators and health care companies have recognized that as more innovative medicines are available over the counter, people will have a greater variety of treatment options for self-treatable conditions, potentially contributing to overall health.<sup>14</sup> And because OTC products are more broadly available at a variety of outlets, including discount department stores, grocery stores, and warehouse outlets, consumers have greater convenience and enhanced access.



In one study, the introduction of the first OTC drugs increased utilization at the class level by an **AVERAGE OF 30% OR MORE.**

Albaugh, M., Philipson, T., Sood, N., & Stomberg, C. (October 2013). Utilization effects of Rx-OTC switches and implications for future switches. *Health*, 5(10). Retrieved from [http://www.scrip.org/journal/PaperInformation.aspx?paperID=37789#.Uukk2\\_t7Ck8](http://www.scrip.org/journal/PaperInformation.aspx?paperID=37789#.Uukk2_t7Ck8). doi: 10.4236/health.2013.510225.

An important way to introduce novel new ingredients into the OTC market is by switching a product from prescription-only to OTC status. Today, hundreds of currently available OTC products use ingredients and dosages that were only available by prescription just a few decades ago.<sup>15</sup> Conditions that have expanded consumer treatment options include yeast infection, diarrhea, allergies, heartburn, smoking cessation, overactive bladder, and insomnia. By making safe, effective products available over the counter, more consumers benefit by being empowered to manage their own health and are more able to efficiently access health care. In fact, research has shown that switching products to OTC status can significantly increase utilization of certain medicines where a large proportion of the population has traditionally gone untreated.<sup>16</sup>



Albaugh, M., Philipson, T., Sood, N., & Stomberg, C. (October 2013). Utilization effects of Rx-OTC switches and implications for future switches. *Health*, 5(10). doi: 10.4236/health.2013.510225. Retrieved from [http://www.scrip.org/journal/PaperInformation.aspx?paperID=37789#.Uukk2\\_t7Ck8](http://www.scrip.org/journal/PaperInformation.aspx?paperID=37789#.Uukk2_t7Ck8)

The World Health Organization has determined that it is appropriate to switch products to OTC status when they are widely used and have been proven safe over a sufficient period to determine that they can be entrusted for consumer use.<sup>17</sup> For example, OTC availability of nicotine replacement therapy (NRT) has resulted in a greatly reduced burden of diseases caused by tobacco smoking. Globally, 37 percent of smokers have tried an OTC NRT, leading to more people quitting smoking.<sup>14</sup>

A recent study estimated that the impact of changing smoking cessation drugs to OTC status produces a 78–92 percent increase in utilization, and that the resulting reduction in smoking would be valued at between \$1.8 billion and \$2 billion per year.<sup>18</sup>

## Economic Impact

Not only does greater access to OTC medicines improve public health and provide greater options, convenience, and access to care for consumers, these products have proven economic benefits as well. The use of OTC medicines yields significant savings to both consumers and the health care system by reducing unnecessary physician visits for otherwise self-treatable conditions.

- OTC medicines are affordable options for consumers — 86 percent of whom believe the use of OTC medicines helps lower their health care costs.<sup>19</sup>
- Research has estimated that consumers and taxpayers could save \$5.2 billion annually through increased self-care, including use of OTC medicines and subsequent avoidance of unnecessary visits to primary care physicians.<sup>19</sup>
- One study analyzing the value of OTC medicines in the U.S. found that OTC medicines offer \$102 billion in annual savings relative to available alternatives.<sup>20</sup>

Importantly, lower use of alternate health services in systems with greater access to OTCs can mean greatly reduced costs to the public in publicly funded systems. For certain ailments, greater self-medication leads to more efficient use of health care providers, more access to medication, and lower costs.<sup>21</sup>

The impact and economic value of OTC medicines is important in diverse global health care settings — many countries are benefitting from expanding responsible usage of OTC medicines and self-care, saving billions of dollars in reduced health care costs and physician visits.



**\$1 SPENT** on OTC medicines = **\$6-7 IN SAVINGS** for the U.S. health system due to fewer physician visits and reduced spending on more expensive care.

Consumer Healthcare Products Association. The Value of OTC Medicine to the United States, January 2012. Retrieved from <http://www.chpa.org/ValueofOTCMeds2012.aspx>.

## Value Attributable to OTC Medicines

OTC Value Per Dollar Spent



Adapted from: The Value of OTC Medicine to the United States, January 2012, Consumer Healthcare Products Association

Consumers, health care professionals, and public health officials recognize the convenience and efficacy of OTC medicines and their value in providing numerous options for common and minor illnesses. The wide availability of OTC medicines greatly advances individual and public health. New medicines made available through the prescription-to-OTC switch process will enhance options for consumers and help support the movement toward greater patient empowerment and self-care. Additionally, OTC medicines can save money for both consumers and health care systems.

- For instance, in a study of seven European countries, increased self-medication could save more than €11.5 billion annually.<sup>22</sup>
- Additionally, in developing regions like Southeast Asia, where it is estimated that 65–85 percent of all health care in the region is provided by an individual or family without professional intervention, self-medication and OTC medicines can help foster health promotion.<sup>3</sup>

## Endnotes

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