GoodRx reports strong Q4 revenue as more health consumers value price transparency

Article

Discount prescription drug platform **GoodRx** unveiled its Q4 2020 earnings results: It reported **$153.5 million** in revenues during Q4 2020, marking a **36%** jump from Q4 2019—

and its membership swelled from **4.3 million** users in Q4 2019 to **5.6 million** users in Q4 2020, representing a **32%** year over year (YoY) increase. Further, GoodRx noted revenues from prescription transactions climbed **26% YoY** to **$131.3 million** in Q4 2020.

GoodRx's 2020 revenue growth comes on the back of rising drug prices and increasingly confusing health insurance, which are driving US consumers to become smarter care shoppers.

- **In the first week of January 2021 alone, the cost of 582 branded and generic drugs jumped an average of 4.2%.** For context, drug manufacturers typically raise the prices of drugs in January and July—and it appears this year will "be no different," per GoodRx, despite the pandemic's lasting effects on consumer spending. Healthcare consumers are getting ahead of rising drug costs by turning to prescription cost apps to compare price tags: Over **43%** of patients report using a price comparison tool like GoodRx to find the most affordable medication.

- **Many patients say it's difficult to determine out-of-pocket costs despite their access to employer-sponsored insurance.** Over **75%** of adults with employer-sponsored coverage indicated feeling "completely lost" when trying to figure out how much their health insurance covers, per 2021 Bend Financial Data—which is likely contributing to the mounting adoption of prescription price transparency tools. And health consumers will likely continue riding the upfront pricing wave in 2021 to address their top pain points: **25%** of patients indicated out-of-pocket price estimation was the worst part of their healthcare experience.
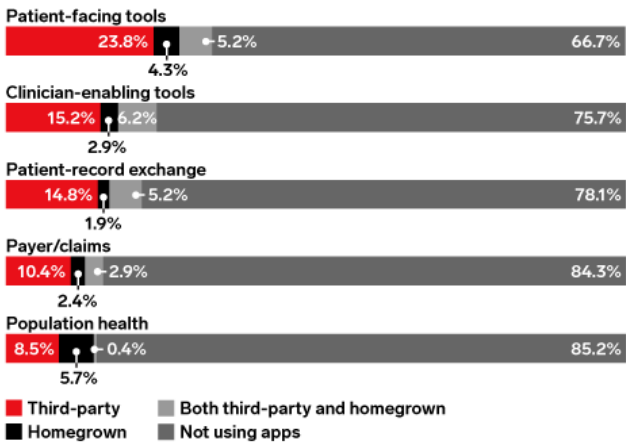
Some doctors already use price comparison tools to help patients find affordable meds — and more clinicians will likely adopt these platforms this year to mitigate adverse health outcomes from delayed care in 2020.

- **In February, over 53% of patients said they've avoided filling a prescription due to uncertainty about costs.** And **59%** have avoided doctors' visits altogether during the pandemic to dodge surprise medical bills. Patients' failure to keep up with their prescriptions and routine doctor visits is bad news for clinicians: Poor medication adherence can exacerbate chronic conditions, leading to worsened health outcomes in the long run.

- **Price comparison tech developers like GoodRx and Blink Health could catch the attention of more doctors with the promise of increasing medication adherence among their patient bases.** Using a price comparison tool can help physicians pinpoint the most affordable prescription for their patients before leaving a doctors' visit, which should boost patient

satisfaction while encouraging patients to actually pick up their meds on time—and in turn, improve health outcomes for the long haul. In fact, **19%** of patients were more adherent to purchasing their medications when providers used a price comparison tool, per October 2020 CoverMyMeds data.

Healthcare Apps Used Among US healthcare Provider Organizations, by Type and Use Case, Oct 2020

% of respondents

Patient-facing tools
23.8% | 5.2% | 66.7%
4.3%

Clinician-enabling tools
15.2% | 6.2% | 75.7%
2.9%

Patient-record exchange
14.8% | 5.2% | 78.1%
1.9%

Payer/claims
10.4% | 2.9% | 84.3%
2.4%

Population health
8.5% | 0.4% | 85.2%
5.7%

■ Third-party ■ Both third-party and homegrown
■ Homegrown   ■ Not using apps

Note: among provider organizations that are exchanging or attempting to exchange data with another entity; numbers may not add up to 100% due to rounding
Source: College of Healthcare Information Management Executives (CHIME) and KLAS Research, "Trends in EMR Interoperability"; Insider Intelligence calculations, Jan 26, 2021

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