

The logo for the Association for Accessible Medicines (AAM) features the lowercase letters 'aam' in a bold, white, sans-serif font on a blue rectangular background.

aam

Association for Accessible Medicines

AAM Perspective on Drug Pricing

Conference of Western Attorneys General

January 9, 2018



Three Facts That Reveal Significant Difference Between the Generic & Brand Business Models...

FACT 1

Generics fill 89% of all prescriptions for only 26% of the total prescription spend.

FACT 2

Generic drug pricing is deflationary.

FACT 3

The supply chain has a greater impact on generic pricing than do drug manufacturers.

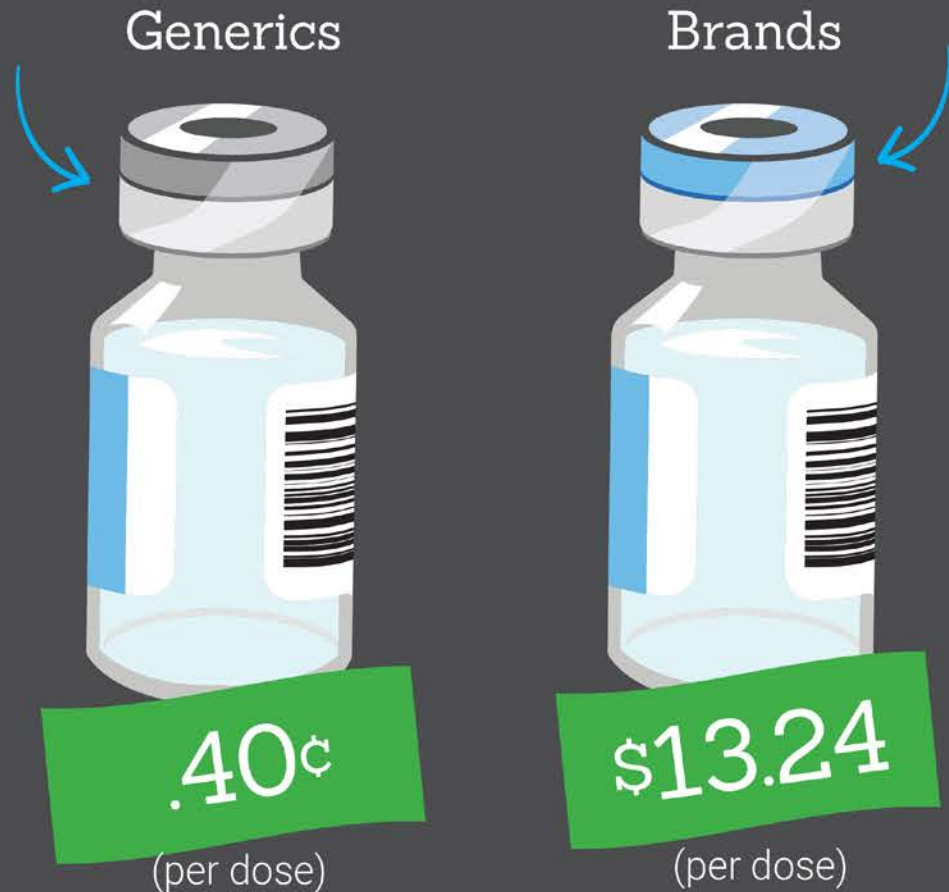
Fact 1: 89% of Prescriptions for 26% of Cost

Not *All* Prescription Drug Prices are High

FDA-approved generics are your answer to rising drug prices



accessiblemeds.org



Brands are **11%** of all prescriptions (500 million) but are **74%** of the total cost. (\$333.9 billion)

Generics are **89%** of all prescriptions (3.9 billion) but are just **26%** of the total cost. (\$116.1 billion)

Source: IVQIA

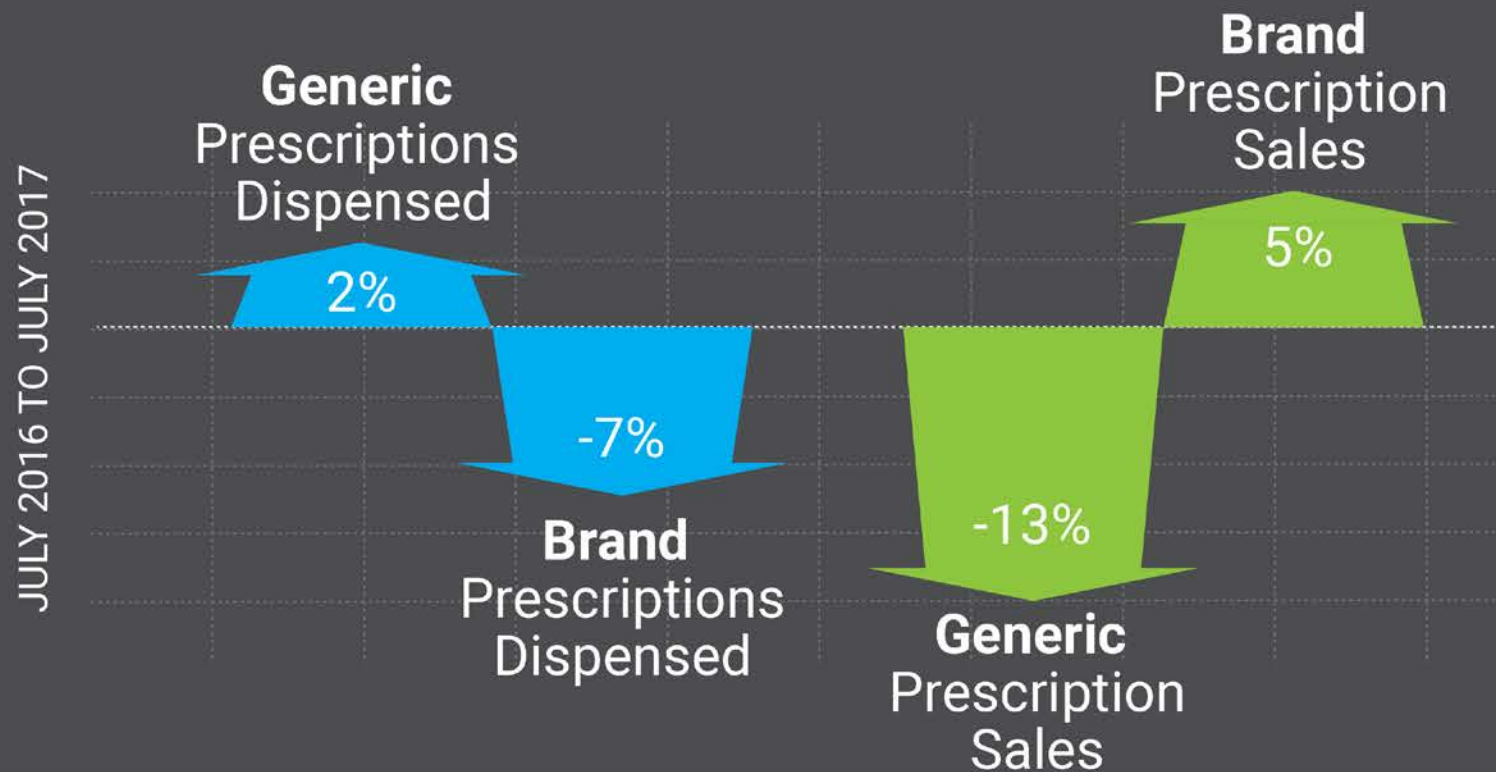
Fact 2: Generic Market is Deflationary

Patients Deserve Generic Savings

A Sustainable Business Environment is Essential



accessiblemeds.org



From July 2016 to July 2017, generic prescriptions sold **increased by 2%** yet what government, insurers, patients paid for those prescriptions **dropped 13%**.

During that same time period, brand-name prescriptions sold **dropped by 7%** while what government, insurers, patients paid for the prescriptions **increased by 5%**.

If generic companies keep supplying a larger and larger share of the medicine dispensed in the U.S. but receive less and less revenue, this is an **unsustainable business model**.

Generic Price Deflation in the Marketplace

**THE
WALL STREET
JOURNAL.**

“U.S. generic drug prices are falling at the fastest rate in years.”

**INVESTOR'S
BUSINESS
DAILY®**

“Price cuts are ripping through the generic side of the industry...companies getting broadsided by players in the distribution chain.”

FT
FINANCIAL
TIMES

“Generic drugmakers feel the pinch as prices crumble.”


AmerisourceBergen®

“We have yet to see generic deflation ease from its current high single digits (-7% to -9%).”

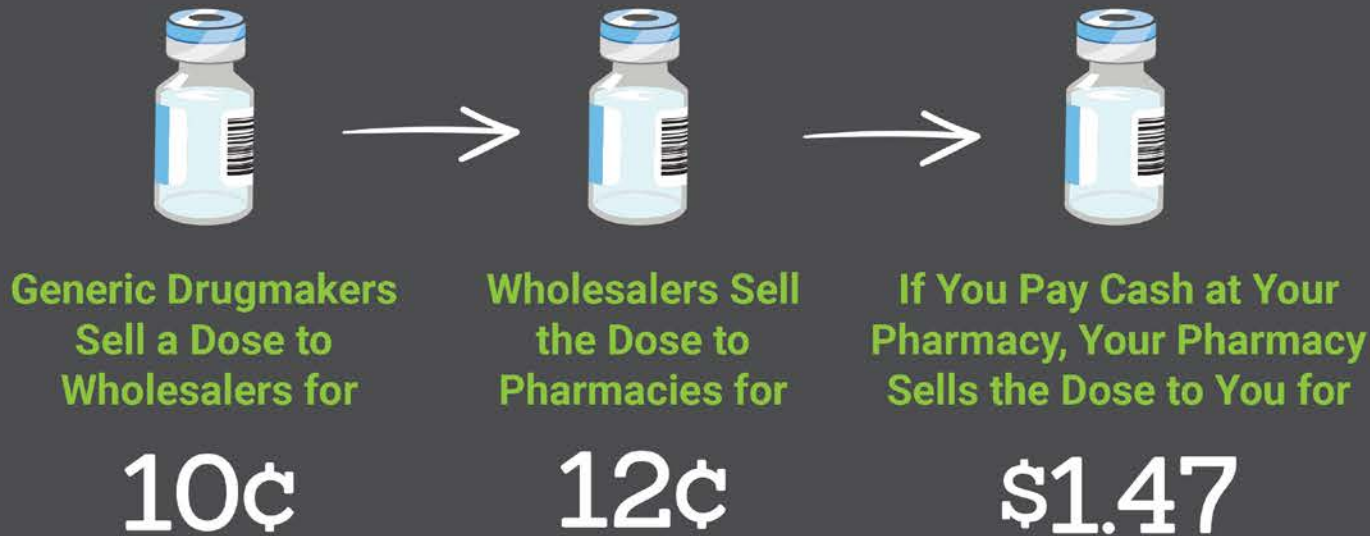
MCKESSON

“[The] challenge and headwind we faced in the last half of the year was the rate of generic deflation.”

aam
Association for Accessible Medicines

Fact 3: Supply Chain has Profound Impact on Generic Prices

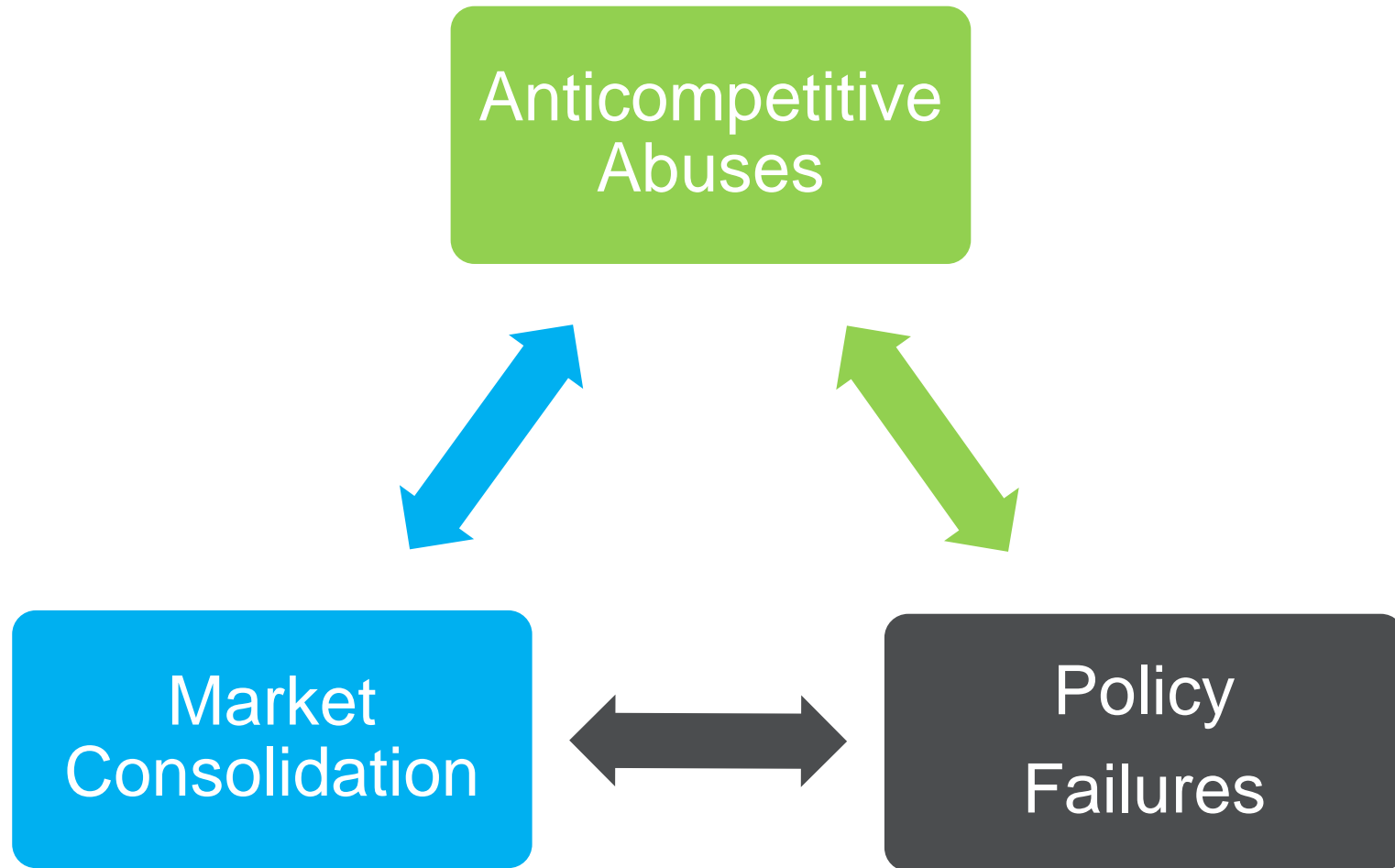
Generic Manufacturers
Provide Affordable Medicines
Patients Deserve Generic Savings



If you have insurance,
\$5.54 
represents the average patient
out-of-pocket cost for a 30-day
generic prescription

Average Manufacturer Price (AMP); National Average Drug Acquisition Cost (NADAC); Cash price for top 100 generic drugs in Medicare Part D (by volume).
Source: Centers for Medicare & Medicaid (CMS); GoodRx.com (11/17/17); IVQIA.

Sustainable Generic Competition is Threatened



EVERFI Learning Portal

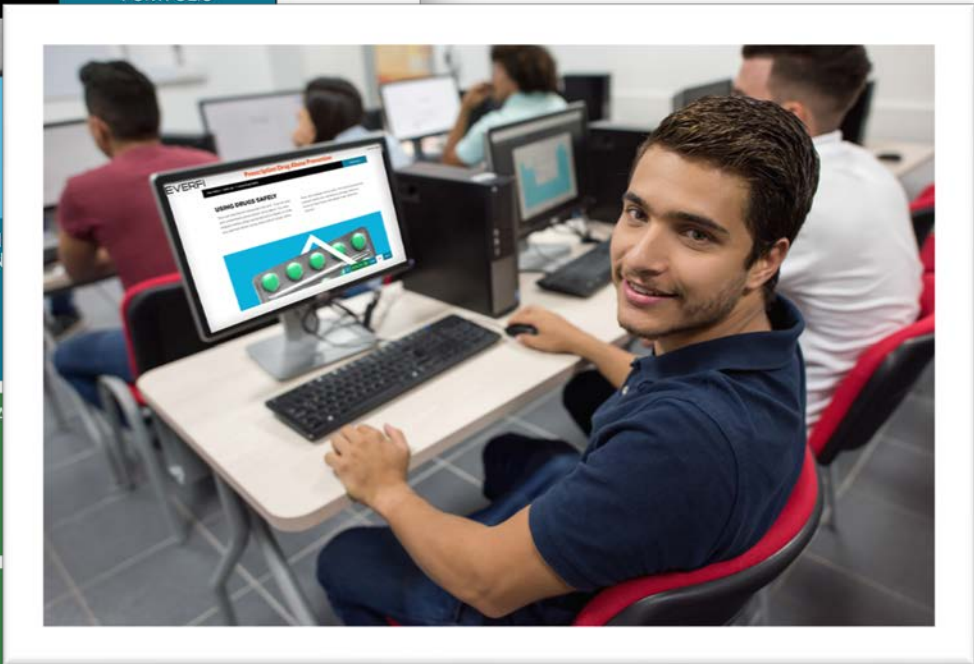
EVERFI Prescription Drug Abuse Prevention

Welcome, Sample

PORTFOLIO

INTRODUCTION REVIEW	1			
THE BASICS REVIEW	2	SCIENCE OF ADDICTION CONTINUE	3	UNDERSTANDING PRESCRIPTIONS REVIEW
SAFE USE CONTINUE	5	REFUSAL SKILLS CONTINUE	6	SUPPORTING A FRIEND BEGIN
				WRAP UP CONTINUE

NOTE | The Service and the Content are provided for informational purposes only and should not be considered medical advice. Please consult your medical professional with questions or concerns related to this course or your health decisions.





aam

Association for Accessible Medicines

Thank You