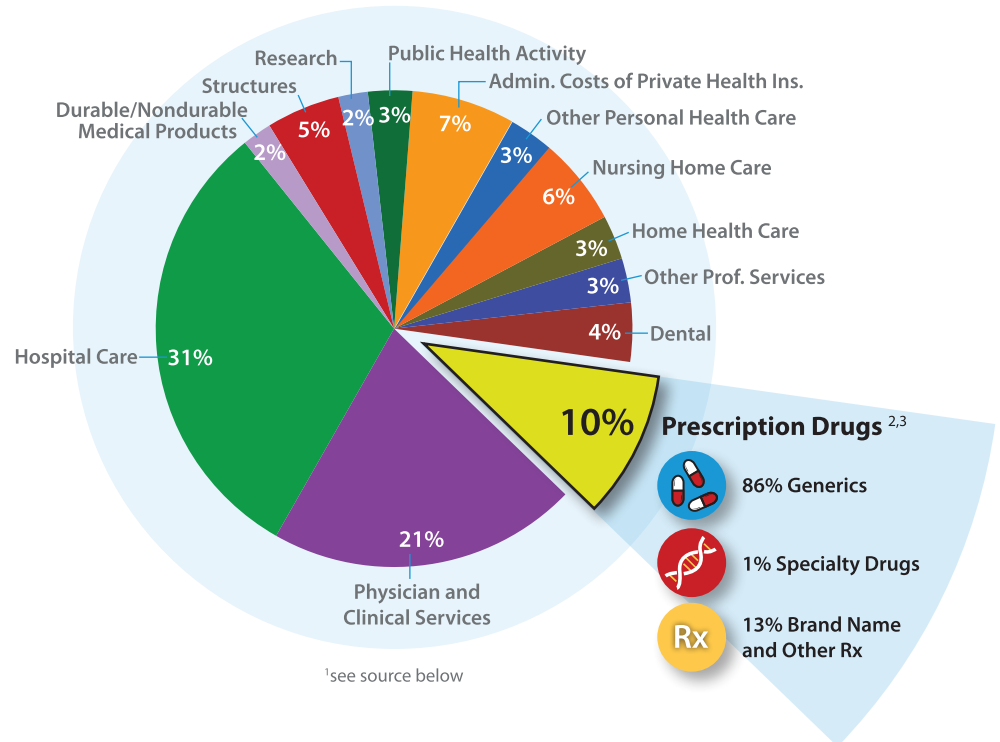


Breakthrough Medications Save Money and Save Lives

According to a 2014 federal report by the Centers for Medicare and Medicaid Services (CMS), **retail prescription medicines will continue to account for less than 10 percent of total health care spending through 2023** – the same percentage as it was in 1960.¹



GENERIC RX = 86% TOTAL

The argument that specialty drugs are the main health care cost driver is misleading when the fact is **86 percent of prescriptions are for lower cost generic medications.**²

LOW % USE SPECIALTY DRUGS

Less than five percent of U.S. patients, typically those with severe or rare health conditions, use higher-price “specialty medications” – **meaning the vast majority of patients use lower cost, more affordable prescriptions.**⁵

HOSPITAL CARE 3X MORE

The U.S. will spend **three times more on hospital care** over the next decade than the total spending on prescription medicines.¹

INSURANCE PREMIUMS HIGHER

From 1998 to 2003, **insurance companies increased premiums** by an average of \$104.62 per person. During that same period, drug costs only rose by \$22.48 per person.⁴

¹ Health Expenditures. <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/downloads/proj2008.pdf>

² Medicine use and shifting costs of healthcare: A review of the use of medicines in the United States in 2013. IMS Institute for Healthcare Informatics. April 2014. http://www.imshealth.com/deployedfiles/imshealth/Global/Content/Corporate/IMS%20Health%20Institute/Reports/Secure/IIHI_US_Use_of_Meds_for_2013.pdf

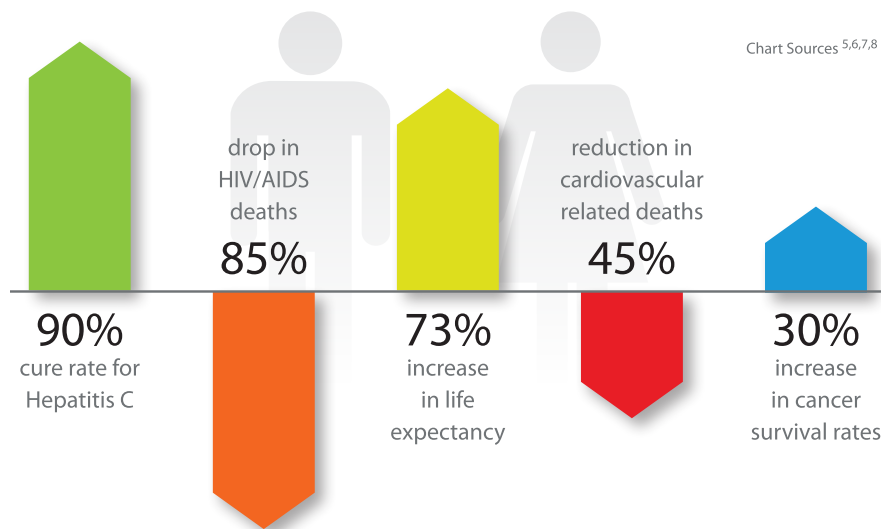
³ Specialty Drugs: Cost, Impact, And Value. Health Affairs Blog. October 6, 2014. <http://healthaffairs.org/blog/2014/10/06/health-affairs-october-issue-specialty-drugs-cost-impact-and-value/>

⁴ Peter Pitts. The Payers Pity Party. Morning Consult. March 9, 2015. <http://morningconsult.com/opinions/10883>

⁵ Understanding Specialty Drug Forecasts. Milliman. February, 2015. <http://www.phrma.org/sites/default/files/pdf/milliman-specialty-drug-forecasts.pdf>

Breakthrough Medications Save Money And Save Lives

Patients who adhere to their medication regimens enjoy greatly improved health outcomes and make less use of more costly health services such as emergency room and doctor’s visits, hospitalizations and long-term care.^{1,2,3,4}



“Virtually every study of medical innovation suggests that changes in the nature of medical care over time are **clearly worth the cost.**”⁹

David Cutler
Harvard University
health care economist
& Health Care Advisor
to President Obama

“New, better medications are actually the best and swiftest way for this country to cut down on our health-care expenses. By more efficiently combating disease and improving patients’ lives, **drugs reduce long-term medical costs and bolster the overall economy.**”⁹

Peter Pitts
former FDA Associate Commissioner
& President of the Center for Medicine in the Public Interest

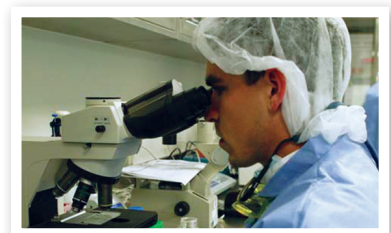


PHOTO CREDIT: AMGEN



1 DiMatteo MR, Giordani PJ, Lepper HS, Croghan TW. Patient adherence and medical treatment outcomes: a meta-analysis. *Med Care.* 2002;40(9):794–811.
 2 McDermott MM, Schmitt B, Wallner E. Impact of medication nonadherence on coronary heart disease outcomes: a critical review. *Arch Intern Med.* 1997;157(17):1921–9
 3 Lau DT, Nau DP. Oral antihyperglycemic medication nonadherence and subsequent hospitalization among individuals with type 2 diabetes. *Diabetes Care.* 2004;27(9):2149–53.
 4 Sokol MC, McGuigan KA, Verbrugge RR, Epstein RS. Impact of medication adherence on hospitalization risk and healthcare cost. *Med Care.* 2005;43(6):521–30.
 5 Biopharmaceutical Industry: The Value of Access to Innovative Medicines powerpoint presentation, slide 10. PhRMA. November 14, 2014. www.cabiotech.org
 6 US Centers for Disease Control and Prevention (CDC). Health, United States, 2013, with special feature on prescription drugs. <http://www.cdc.gov/nchs/data/hs/hs13.pdf>. Atlanta, Ga.: CDC. Published 2014. Accessed February 2015.
 7 Lichtenberg, F.R. (2012). Pharmaceutical Innovation and Longevity Growth in 30 Developing and High Income Countries, 2000-2009. Working Paper 18235. National Bureau of Economic Research.
 8 National Cancer Institute, Survival Epidemiology and End Results (SEER), posted to website 2013. Retrieved from <http://seer.cancer.gov/csr/1975-2005/accessible-contents.html>.
 9 Peter Pitts. The Payers Pity Party. *Morning Consult.* March 9, 2015. <http://morningconsult.com/opinions/10883/>