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

Generics: 40¢ (per dose)
Brands: $13.24 (per dose)

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

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

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

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

“Generic drugmakers feel the pinch as prices crumble.”

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

“[The] challenge and headwind we faced in the last half of the year was the rate of generic deflation.”
Fact 3: Supply Chain has Profound Impact on Generic Prices

Generic Manufacturers Provide Affordable Medicines
Patients Deserve Generic Savings

- Generic Drugmakers Sell a Dose to Wholesalers for 10¢
- Wholesalers Sell the Dose to Pharmacies for 12¢
- If You Pay Cash at Your Pharmacy, Your Pharmacy Sells the Dose to You for $1.47

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); IQVIA.
Sustainable Generic Competition is Threatened

Anticompetitive Abuses

Market Consolidation

Policy Failures
EVERFI Learning Portal

Prescription Drug Abuse Prevention

INTRODUCTION
REVIEW

THE BASICS
1
REVIEW

SCIENCE OF ADDICTION
2
CONTINUE

UNDERSTANDING PRESCRIPTIONS
3
REVIEW

SAFE USE
5
CONTINUE

REFUSAL SKILLS
6
CONTINUE

SUPPORTING A FRIEND
BEGIN

WRAP UP
CONTINUE

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