



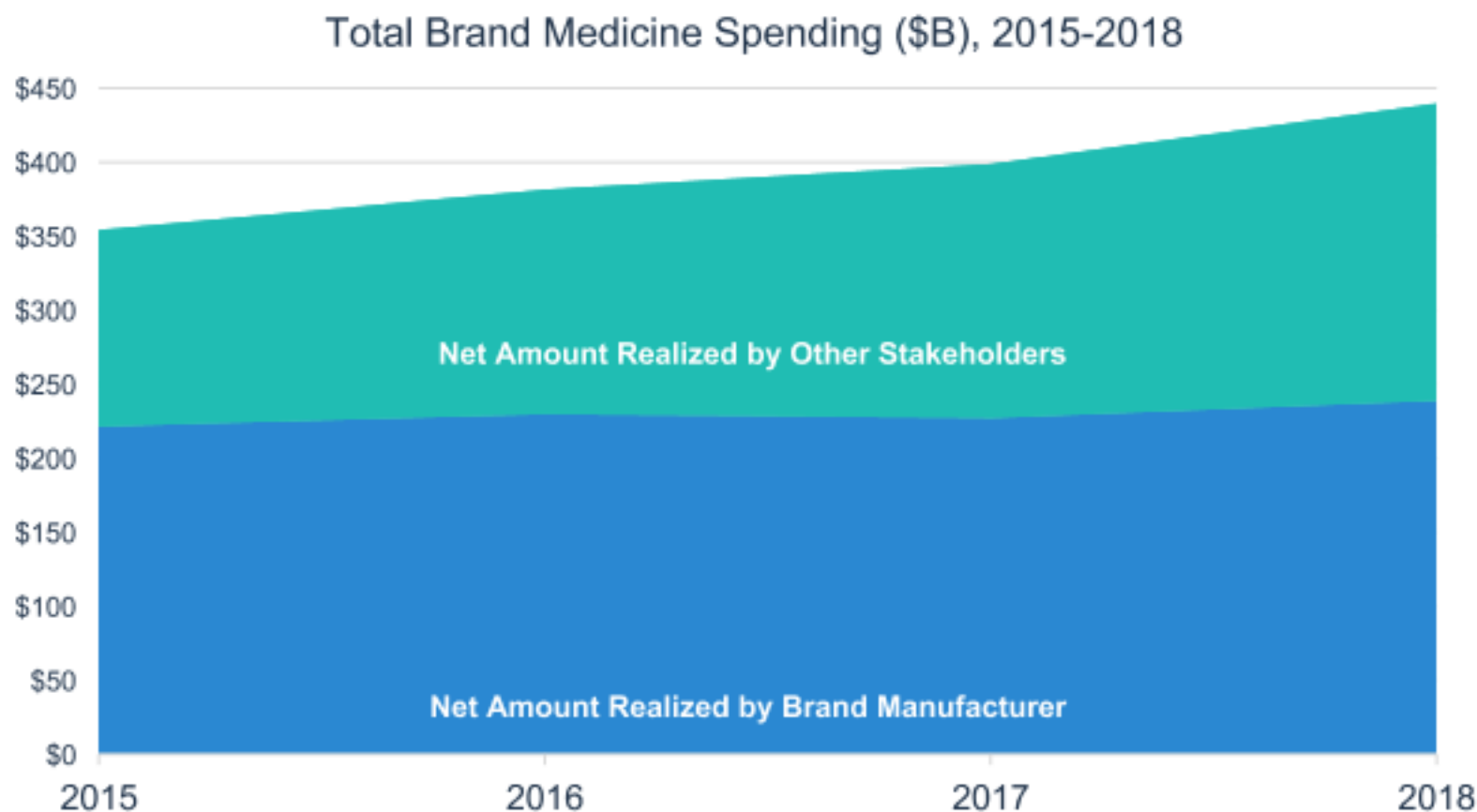
Prescription Medicines: Costs in Context

2020



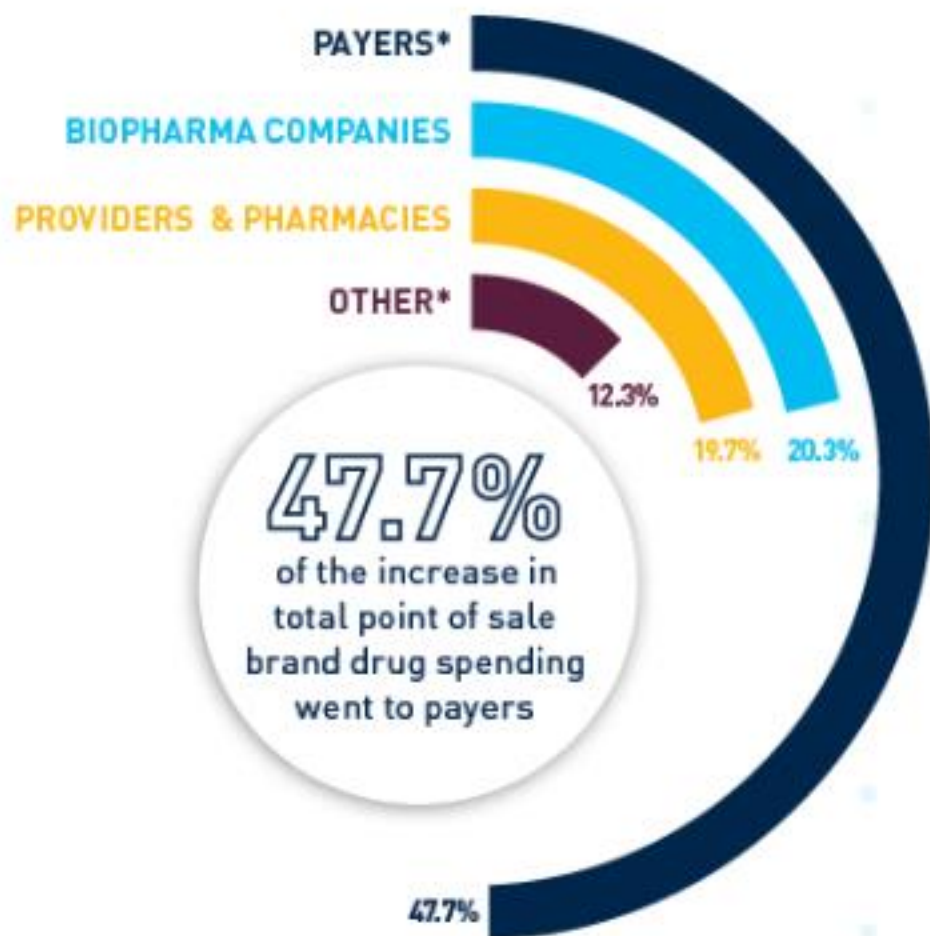
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Despite growth in total brand medicine spending, the amount manufacturers received remained stable from 2015 to 2018.



Other Stakeholders include: health plans, state and federal government, hospitals, pharmacies and other providers, cost sharing assistance, employer groups, wholesalers, and GPOs
Source: Berkeley Research Group, 2020.

Over this period, payers received the largest share of the increase in total brand medicine spending.







* Other include: cost sharing assistance, wholesaler margin, and GPO admin fees, excise fees, and coverage gap discount

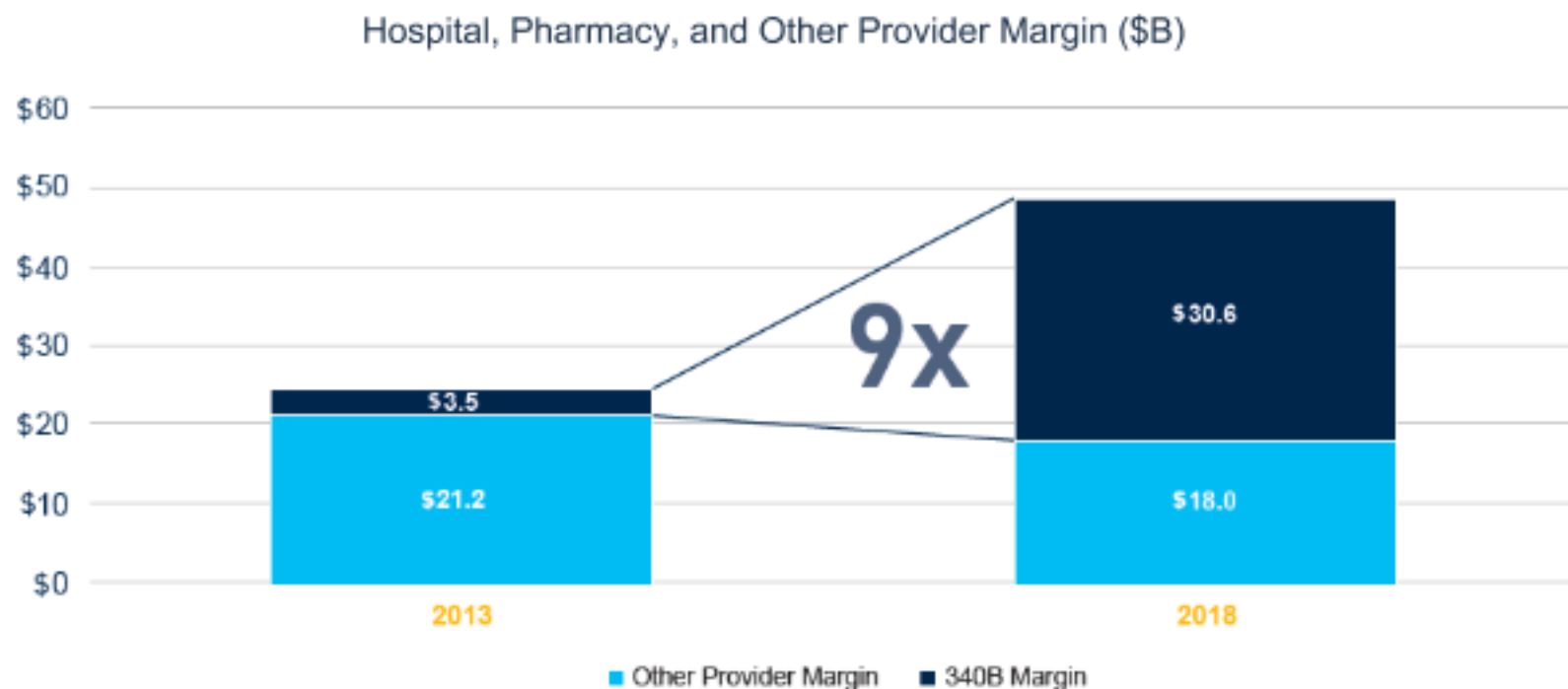
* Payers include: health plans, PBMs, the federal and state governments, and employer groups

Source: Berkeley Research Group, 2020.

Growth in brand spending realized by pharmacies/ providers and payers far outpaced manufacturers share and inflation.

	ANNUAL GROWTH RATE			CAGR
	2016	2017	2018	2015 - 2018
 CPI	0.2%	2.1%	2.7%	2.1%
 Brand Manufacturers	3.8%	-1.2%	5.2%	2.6%
 Payers	12.9%	12.2%	18.5%	14.5%
 Pharmacy / Providers	20.5%	12.0%	13.6%	15.3%

Hospitals, pharmacies and other providers retained nearly twice as much brand medicines spending from 2013 to 2018.



“Unprecedented expansion in the 340B Drug Discount program during this period... was the primary driver of this growth.”