

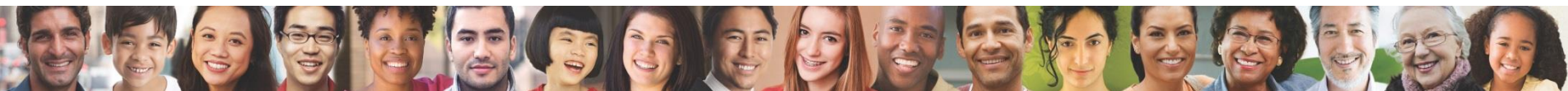


Lowering Prescription Drug Costs

Stan Dorn, Senior Fellow

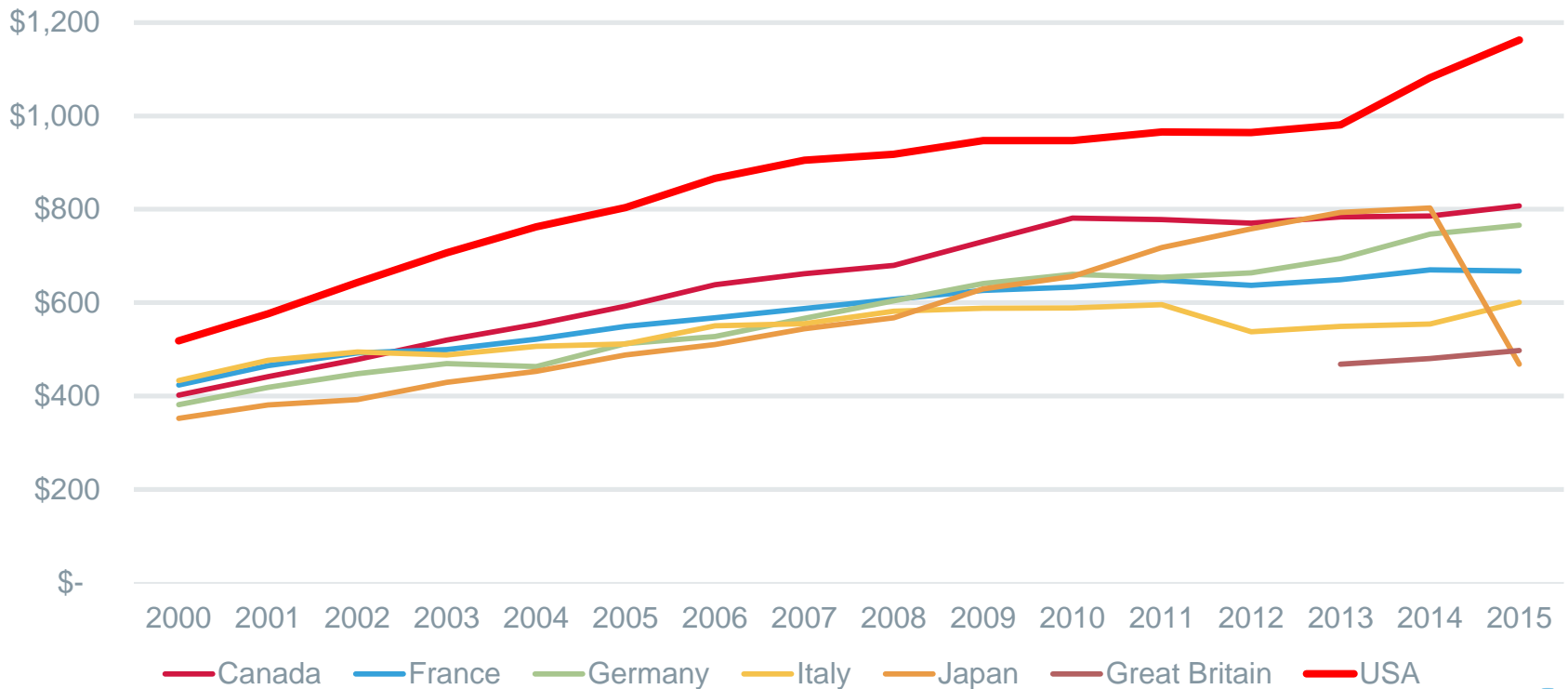
Health Action 2018

January 26, 2018



With Drug Costs, America is an Exceptional Nation

Drug costs per capita, G-7 countries



Source: OECD 2018.

Examples

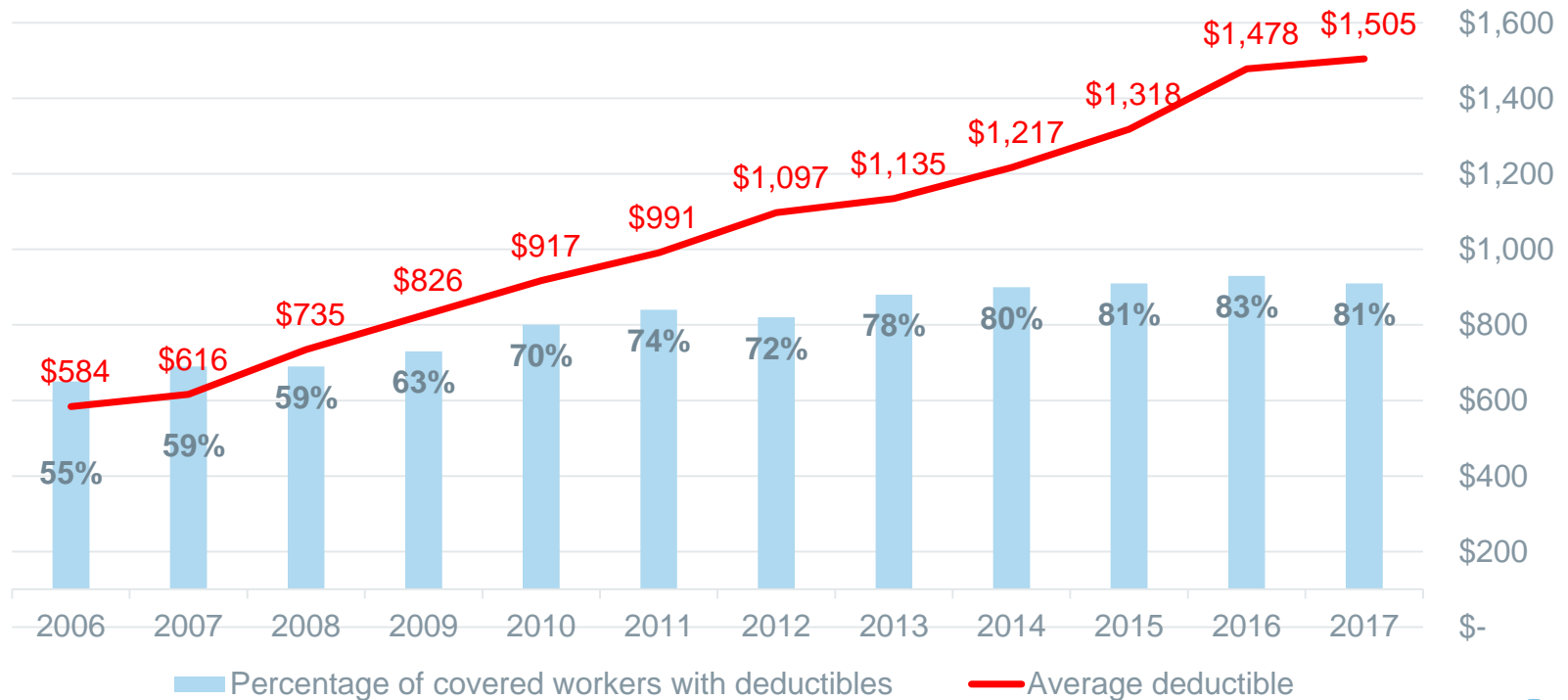
- Gleevec (leukemia drug)
 - U.S. release, 2001: \$4,540 per month
 - 2016
 - \$8,500 a month in the U.S.
 - \$4,500 and \$3,300 in Germany and France
- Epi-pens: \$160 to \$600
- Daraprin, post acquisition by Turing: \$13.50 to \$750

Background

- Profit margins
 - 28% for brand-name-drug manufacturers
 - 16% for generic manufacturers
- 10-year growth rate for 15 largest drug companies has been more than twice that of the S&P 500
- Insanely complex business chains, much of it hidden from view
- Public funding for research harnessed for private profit, without public disclosure of full results
- Manipulation to preserve monopoly rights

Workers pay more costs out-of-pocket

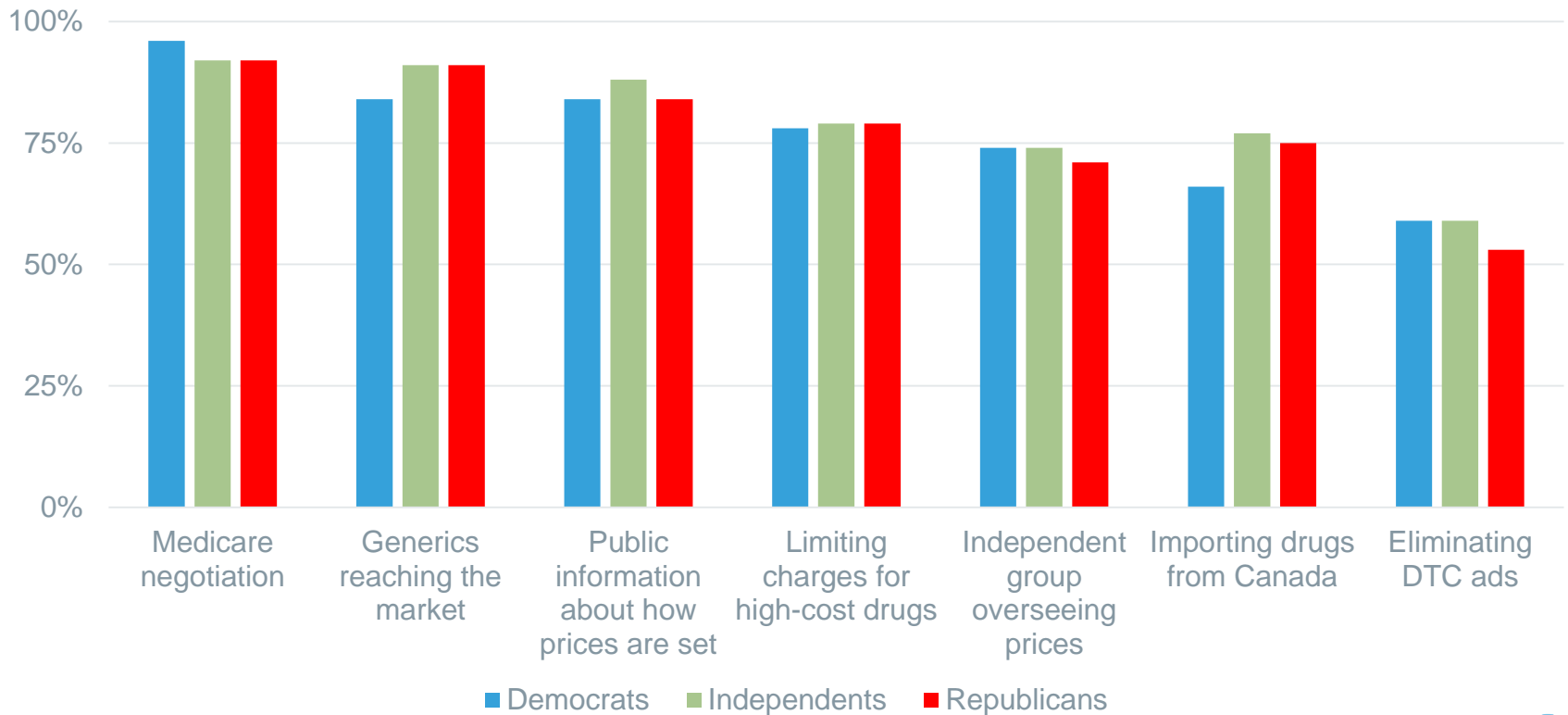
Percentage of covered workers who have deductibles, and average deductibles for single coverage



Source: Kaiser Family Foundation 2017.

Across party lines, Americans support bold action

Public support for various policies, by party identification



Source: Kaiser Family Foundation 2017.

Goals involving cost

- Delivering a public return on public investment
- Preventing patent abuses
- Ensuring fair and affordable prices
- Building a foundation of transparency

Conclusion

- Serious problems
- Public support creates an opportunity to build towards major, national change
- State-level action is crucial



1225 New York Avenue, NW, Suite 800
Washington, DC 20005

main 202-628-3030 / fax 202-347-2417

