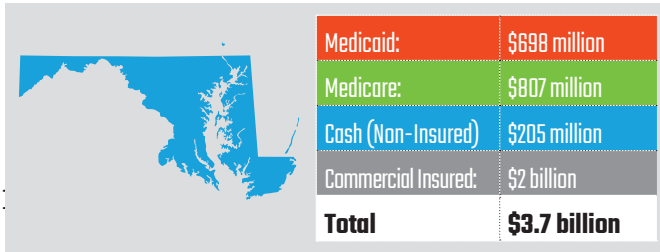


# Protect Generic Rx Savings for Maryland Patients and Taxpayers



Generic Medicines Save the State of Maryland \$3.7 Billion<sup>1</sup>



**Generics are 89% of prescriptions in the U.S. but only 27% of the costs.** Eleven percent of the prescriptions – brand and specialty drugs – are responsible for 73% of drug costs. 1% of prescriptions are specialty medicines (including costly biologics) responsible for more than 30% of the costs. There are estimates that spending on specialty medicines will soar beyond 50% by 2018.

**Generic costs overall are going down and generic savings are going up.** All of this is happening while the share of generic prescriptions in Maryland and the rest of the U.S. is increasing.

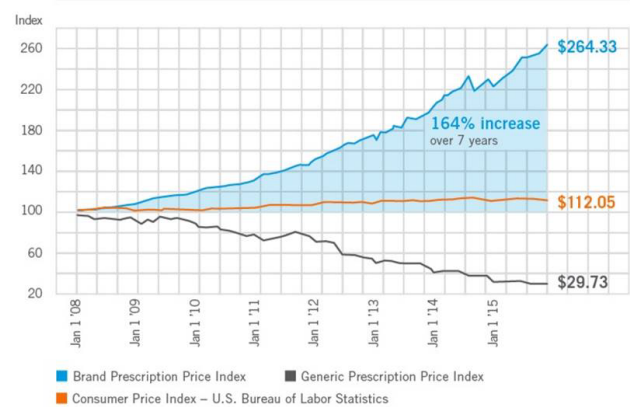
## Ill-advised Legislation Jeopardize Savings

**A “one-size-fits-all” approach to drug pricing policies** in Maryland that doesn’t recognize the fundamental differences between the brand and generic prescription drug industries **places these important patient and system savings at risk.**

Generic drugs are manufactured in high volume with low margin profits.

**Pricing normally experiences deflation** yet can fluctuate due to market conditions, availability of ingredients and other factors. When the federal government looked at exceptions to generic deflation, the average unit dollar increase was sixty-five cents.<sup>2</sup>

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## Competition is Key

**When generic competition exists, prescription drug prices, and costs, come down rapidly and dramatically.** The smart approach to lowering drug costs is one that encourages generic and biosimilar competition, and not chill a proven market that is performing for Maryland’s patients, payers and taxpayers.

Generic drugs generate hundreds of billions of dollars in savings annually. This is a foundation to build upon, not put at risk through misguided policies. To learn more about GPhA prescriptions to enhance competition and put more medicines in reach for patients, visit [www.rxsolutions.us](http://www.rxsolutions.us).

<sup>1</sup>2015 system savings according to the 2016 Generic Drug Savings & Access in the United States report compiled by QuintilesIMS Institute on behalf of the Generic Pharmaceutical Association (GPhA)

<sup>2</sup>GPhA analysis of publicly available data corresponding to GAO Report, Generic Drugs Under Medicare, August 2016, [GAO-16-706]

