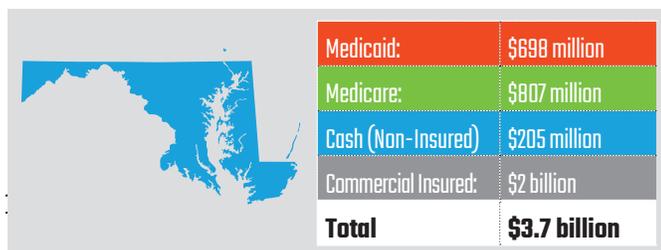


Protect Generic Rx Savings for Maryland Patients and Taxpayers



Generic Medicines Save the State of Maryland \$3.7 Billion¹



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.

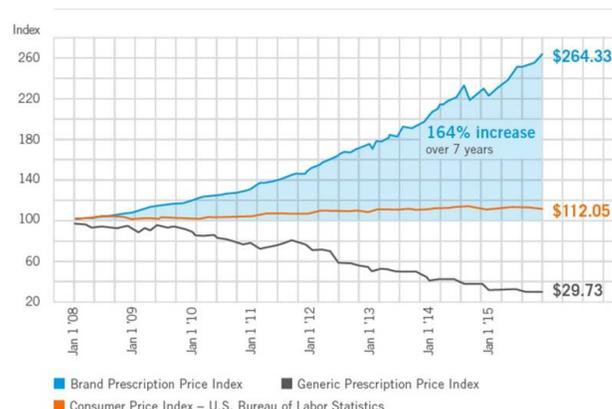
Ill-advised Legislation Jeopardize Savings

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.²

THE EXPRESS SCRIPTS PRESCRIPTION PRICE INDEX



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.

¹2015 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)

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

