



**aam**

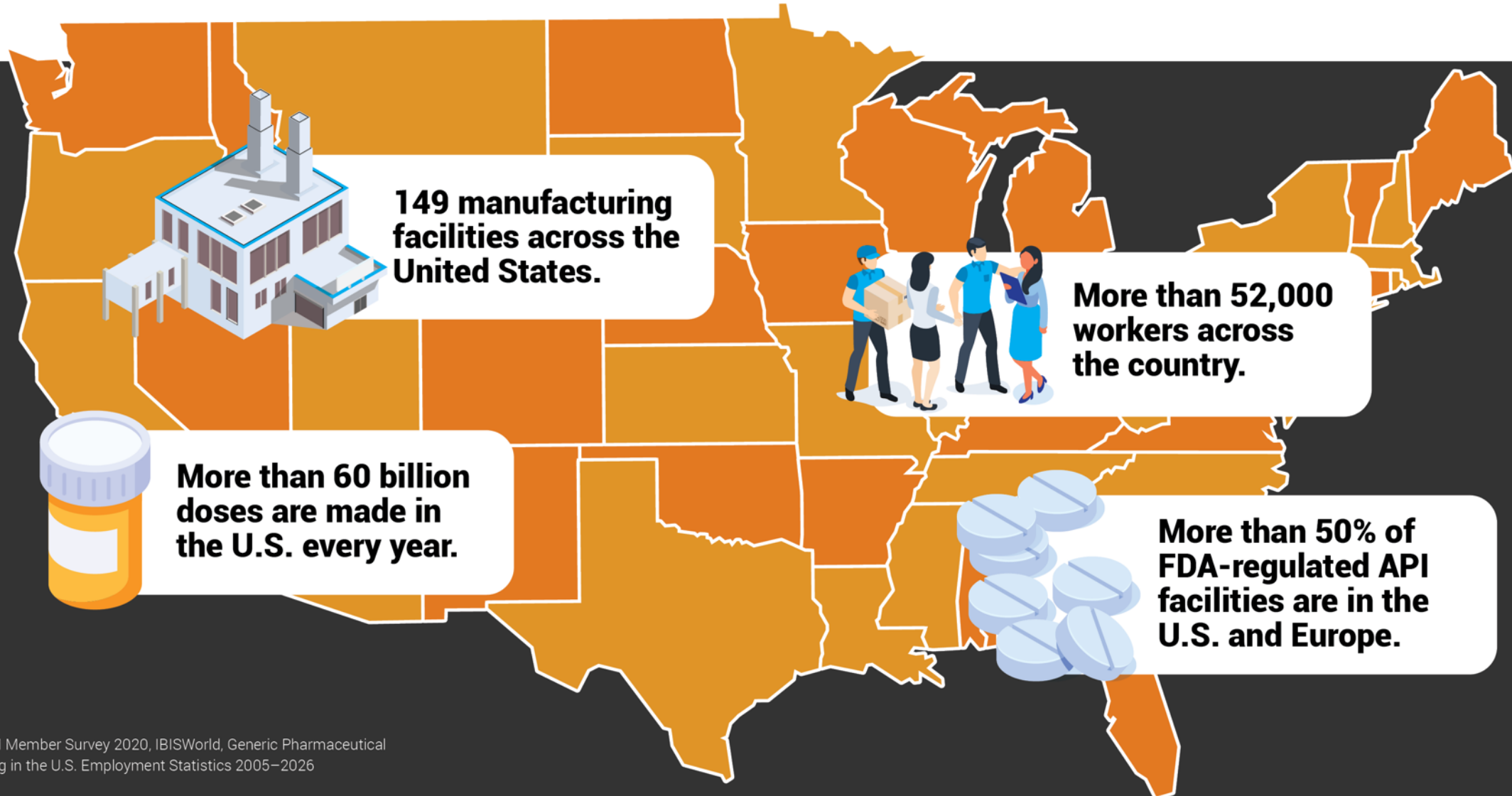
Association for Accessible Medicines

# Secure Our Access & Savings

# Value of Generics



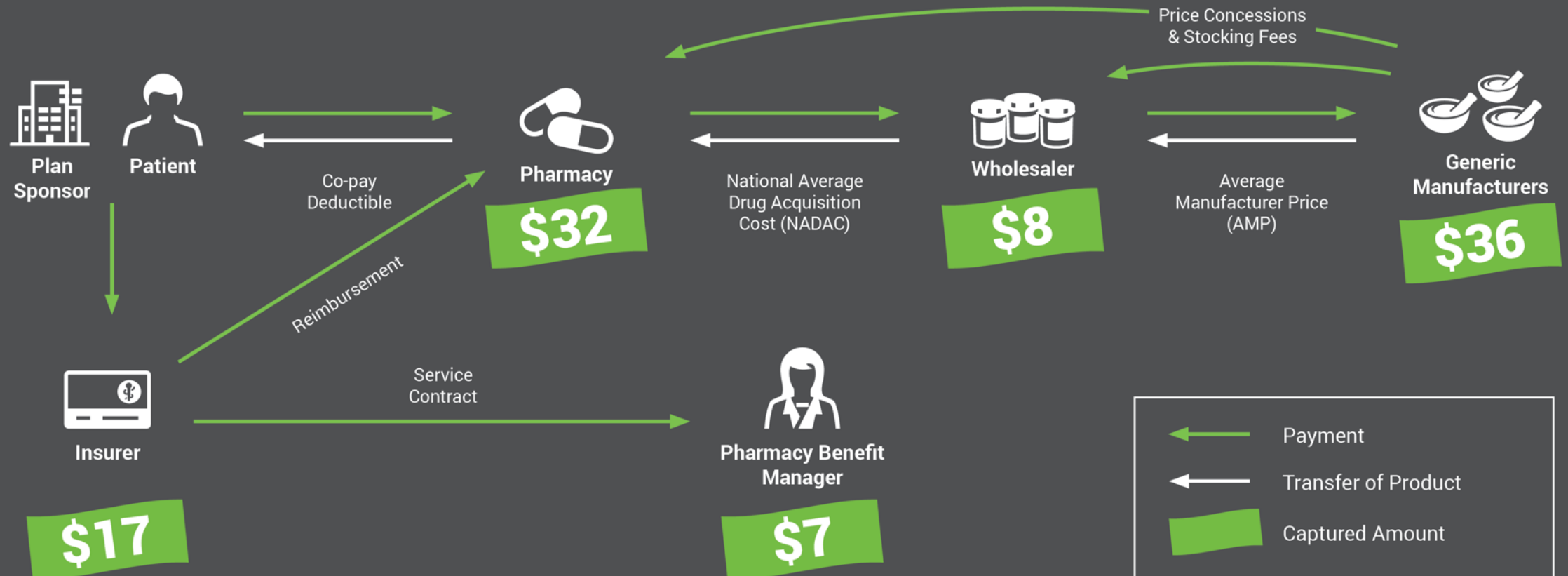
# Generics manufactured across the U.S.



Sources: AAM Member Survey 2020, IBISWorld, Generic Pharmaceutical Manufacturing in the U.S. Employment Statistics 2005–2026

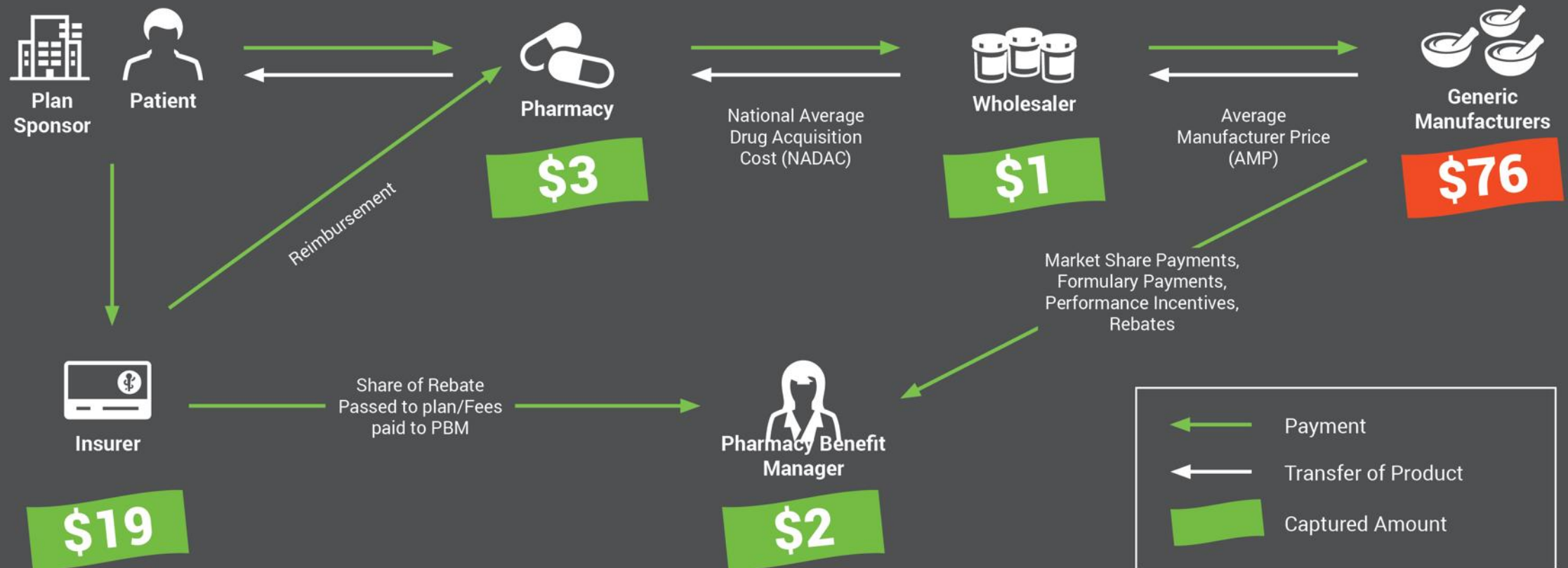
# Generic drug supply chain

## Spread of \$100 Across the Generic Drug Supply Chain

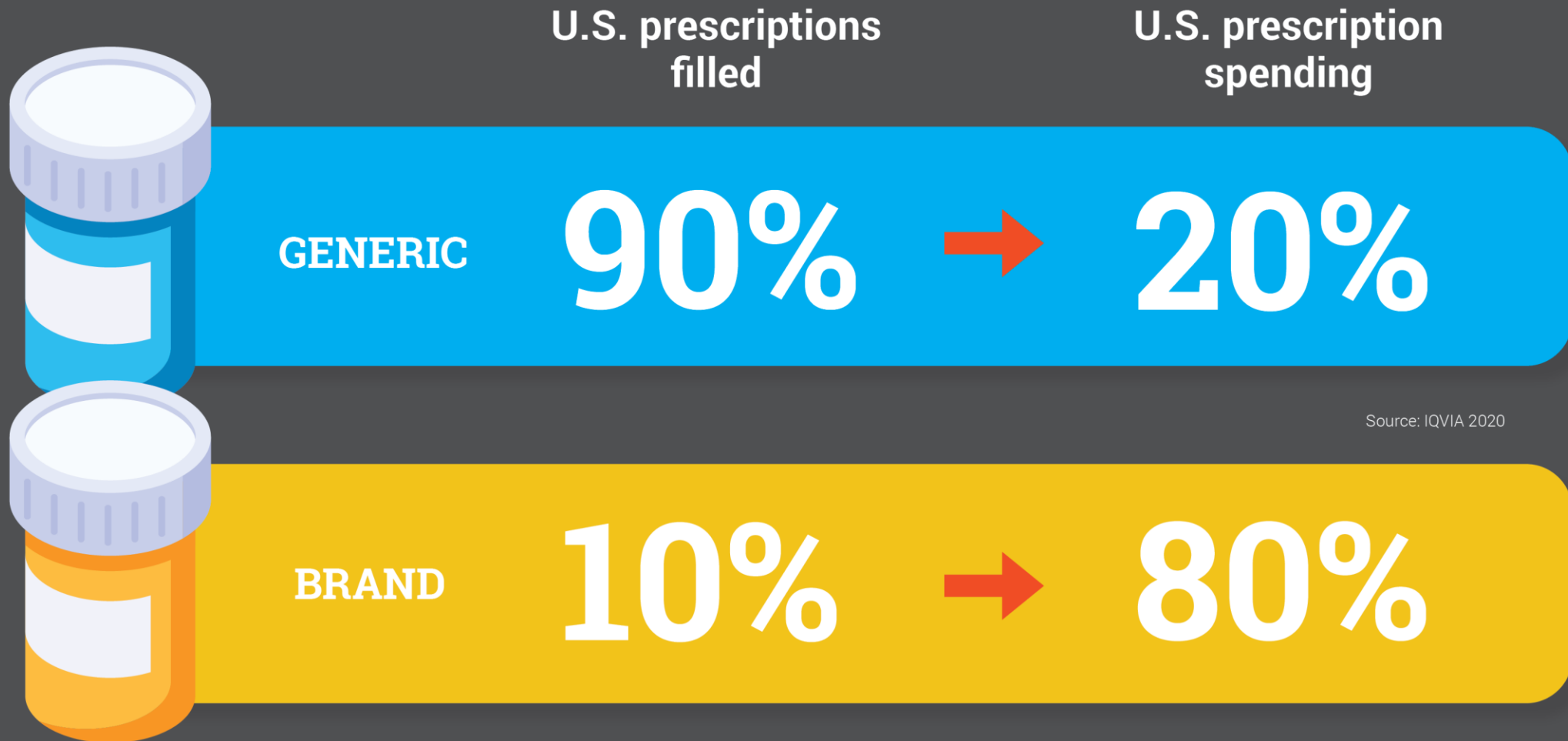


# Brand drug supply chain

## Spread of \$100 Across the Brand Drug Supply Chain

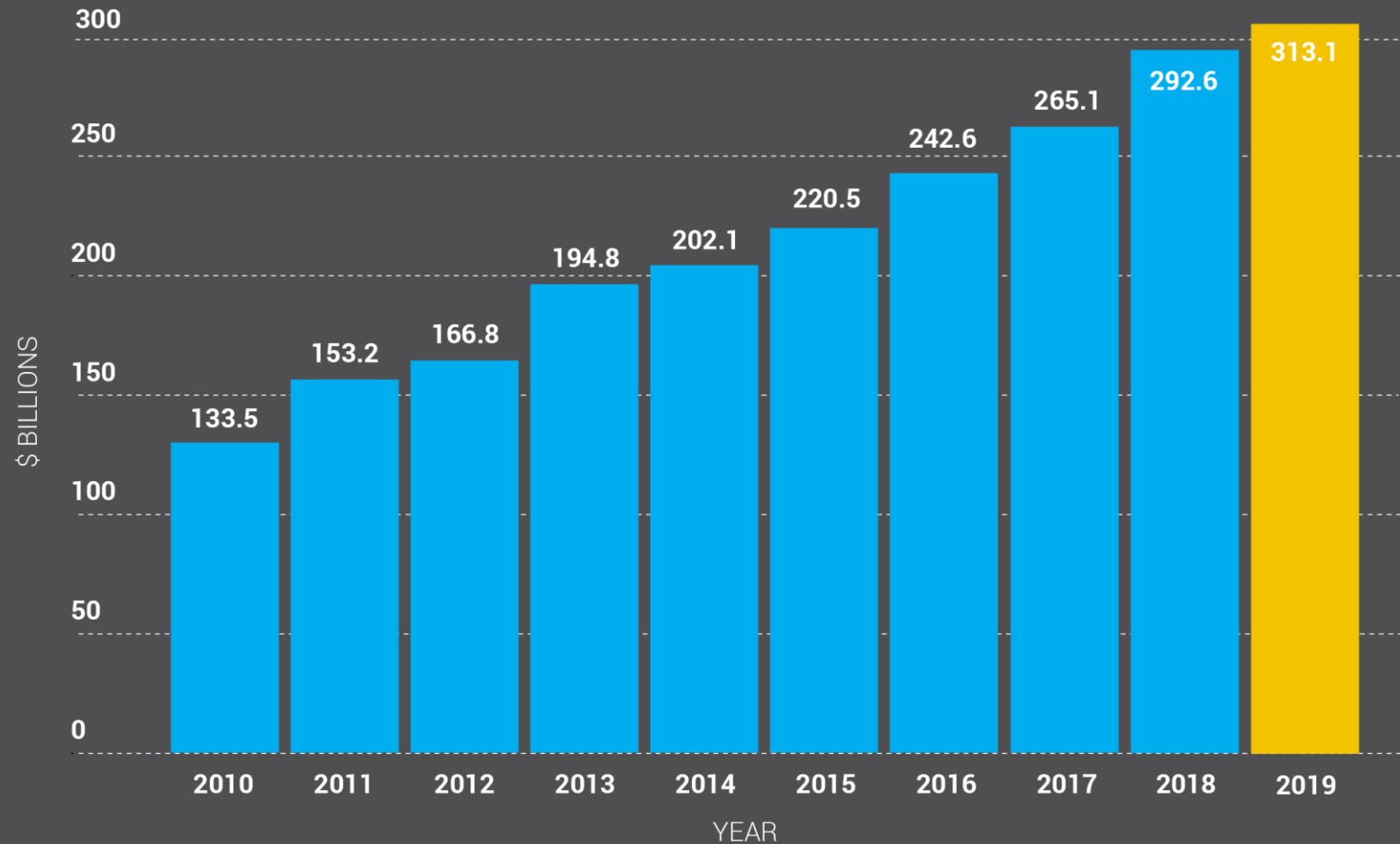


# Generics: 9 out of every 10 prescriptions filled



Source: IQVIA 2020

# In 2019, the U.S. saved **\$313 billion** through generics



Source: IQVIA 2020

U.S. Generic  
Drug Savings:

**\$313  
Billion**



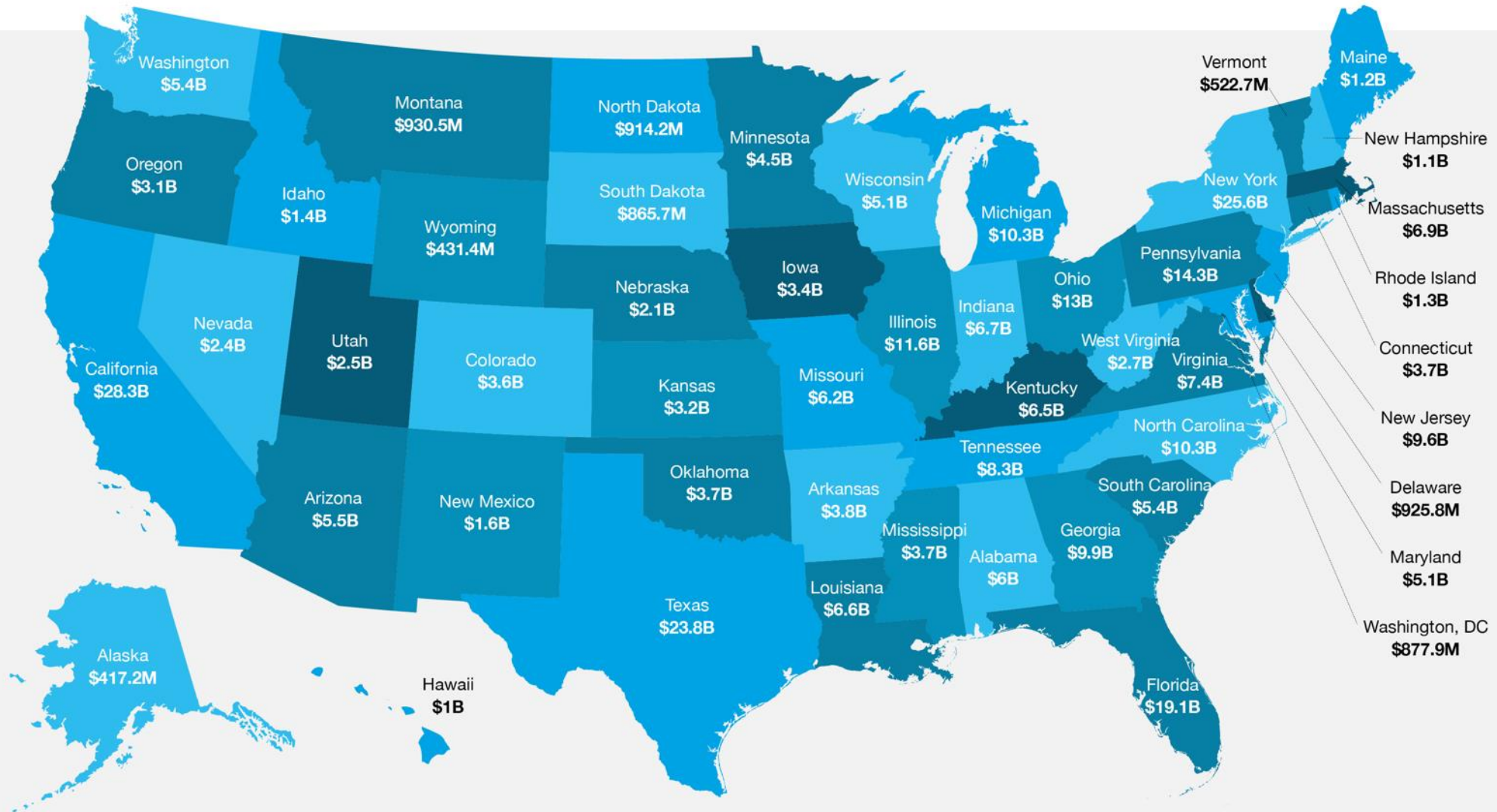
Medicaid  
Savings: **\$48.5  
Billion**

Medicare  
Savings: **\$96  
Billion**



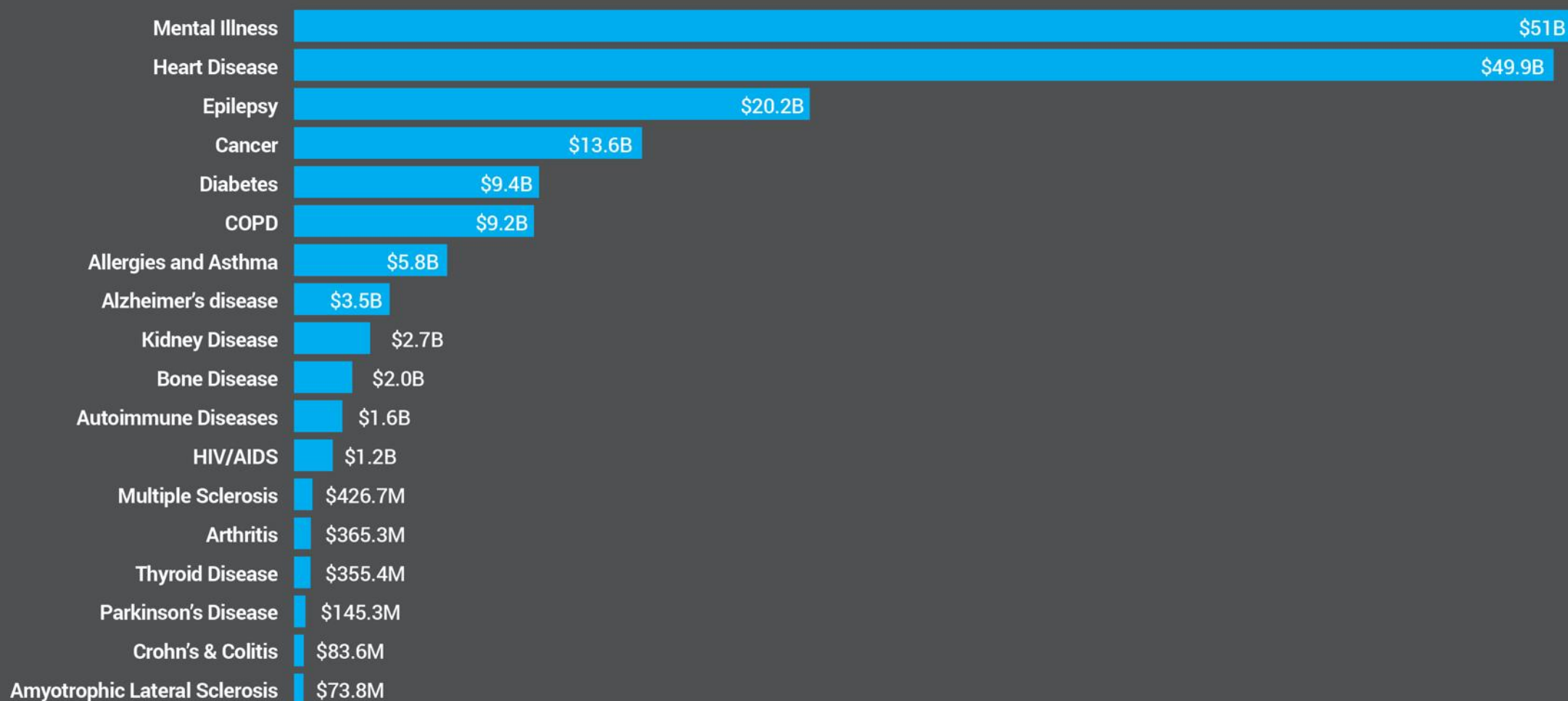


# Generic medicines save States billions



Source: IQVIA 2020

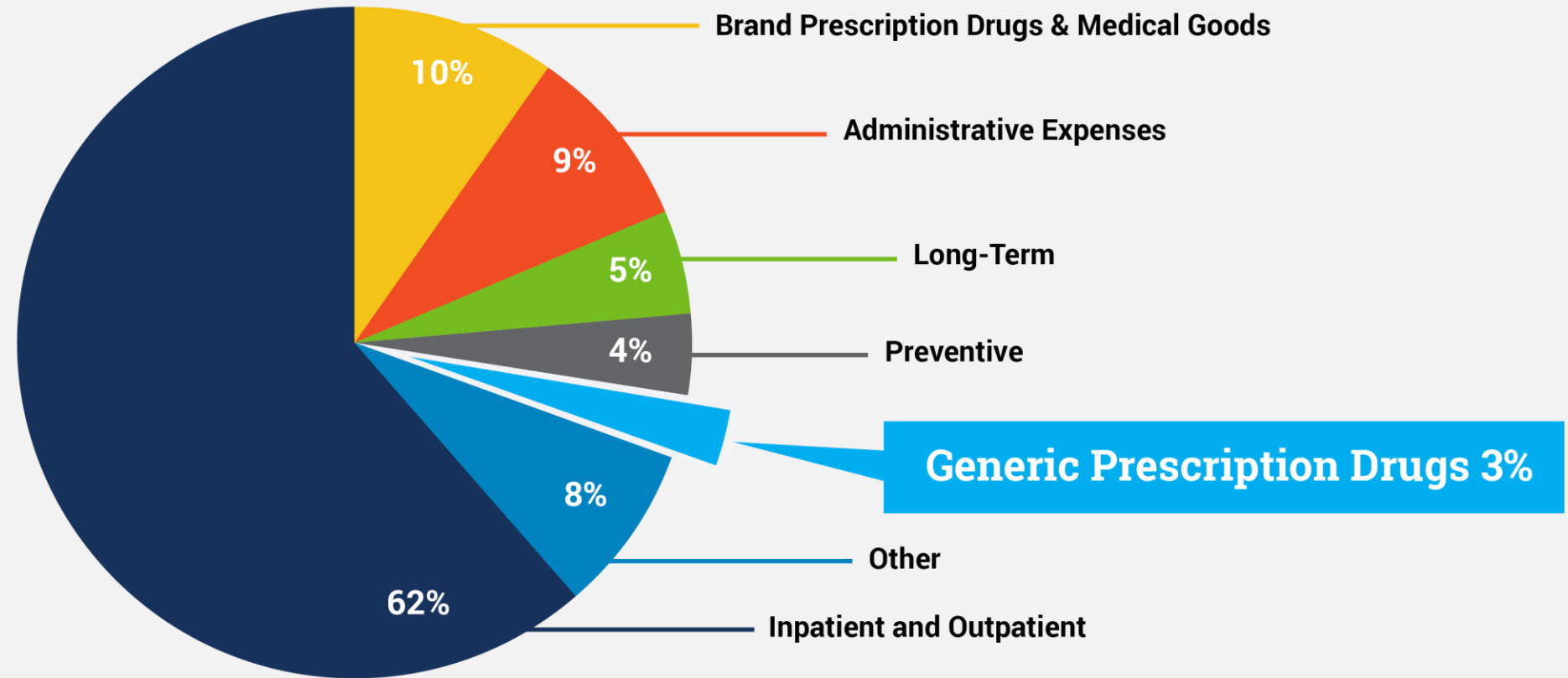
# Generic savings by patient condition



Source: IQVIA 2020

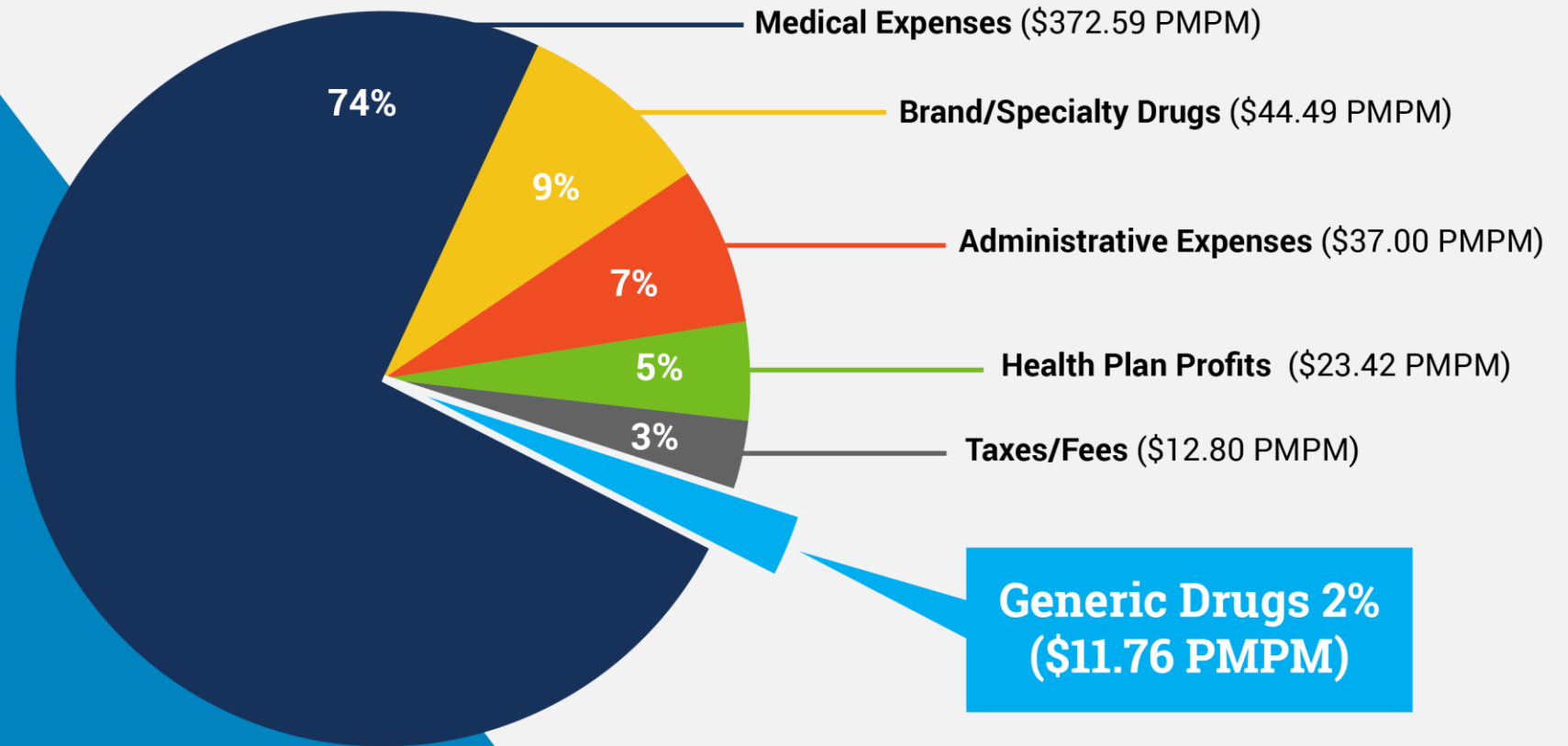
# Generics as a share of U.S. healthcare spending

Generic drugs account for only **3%** of total U.S. health care spending



Source: Peterson-KFF Health System Tracker. "What drives health spending in the US compared to other countries." September 25, 2020. <https://www.healthsystemtracker.org/brief/what-drives-health-spending-in-the-u-s-compared-to-other-countries/>  
 Note: Generic and brand drug share of prescription drug spending was calculated using an analysis of the 2018 Medical Expenditure Panel Survey (MEPS). Total drug spending was segmented into generics and brands. Those percentages were then applied to the Peterson-KFF Health System Tracker analysis of spending, by type of expenditure, in the US healthcare system.

# Generic drugs account for 2% of premium spending in California



PMPM: Per Member Per Month; M: Millions  
 Source: California Department of Managed Health Care. CA Prescription Drug Cost Transparency Report. Measurement Year 2019.  
<https://www.dmh.ca.gov/Portals/0/Docs/DO/2019SB17PrescriptionDrugTransparencyReport.pdf>

# Patients are more likely to abandon costly brand prescriptions

**Generics**



**Overall  
Abandonment**

**10.1%**

**Brands**



**Overall  
Abandonment**

**23.4%**



# Falling prices threaten sustainability

“One of the things we asked about in the blueprint was whether we’re actually in this country underpaying for and under reimbursing for generics. We need a strong, robust generic market.

We may be driving those prices so low that we’re creating manufacturing anomalies that lead to sole source products there with others exiting.”

**HHS Secretary Alex Azar**  
*Senate Finance Committee*  
*June 26, 2018*



# Value of Biosimilars

# What are biosimilars?

**Biosimilars are FDA-approved, safe and effective options for patients.**

A biosimilar is a biologic medicine that is highly similar to a brand biologic medicine.

**In the U.S., biosimilar usage and approvals are on the rise.**





## Biosimilar Approvals

**28** In the U.S.  
to date\*

**18** On the  
market

## Biosimilar Savings & Access

Projected savings  
through 2024:  
**\$100 Billion**

Patients benefit from  
increase access:  
**1.2 Million**

\*Current as of November 11, 2020  
Source: IQVIA

# Biosimilar approvals vs. patient access

## United States

**28** FDA-approved biosimilars



Only **18** biosimilars on the market

U.S. approvals through November 1, 2020

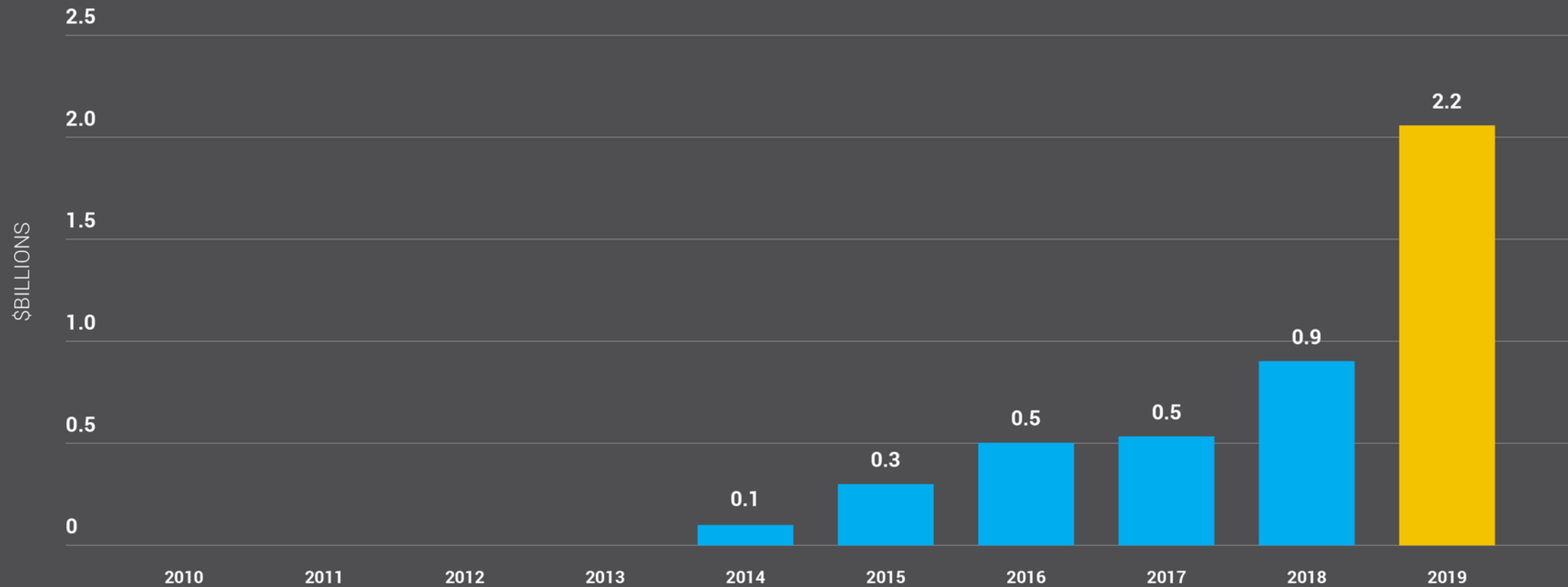
## Europe



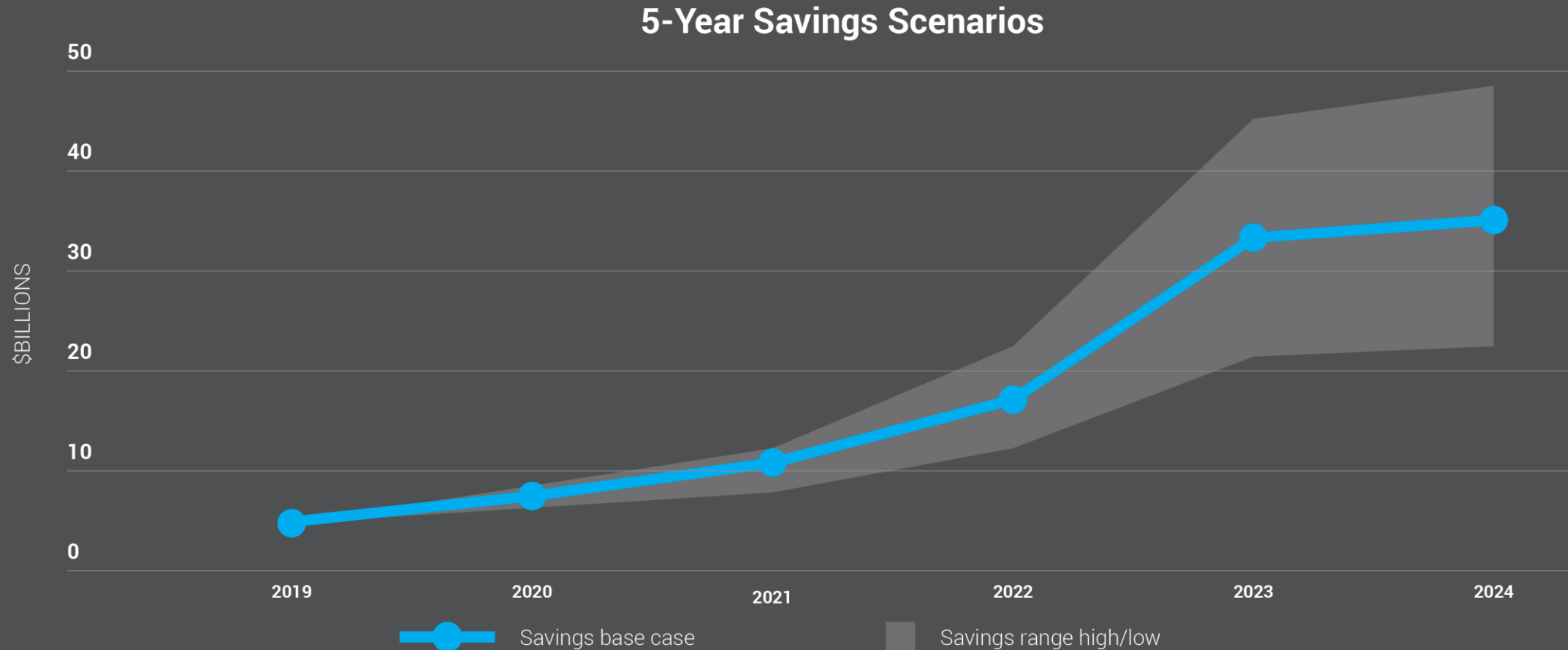
**50+** FDA-approved biosimilars



# Biosimilars have saved 4.5 billion over the last 10 years, \$2.2 billion in 2019



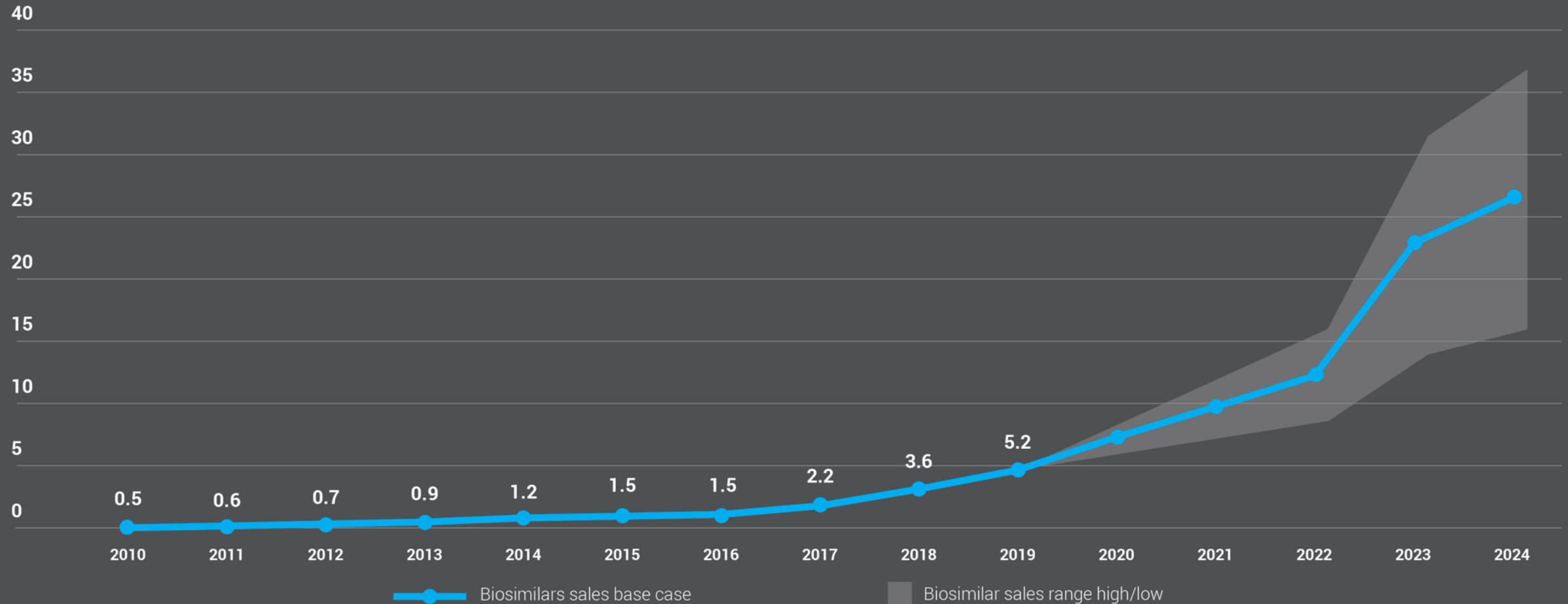
# Biosimilars could save more than \$100 billion by 2025



Source: IQVIA Institute for Human Data Science. (October 2020). "Biosimilars in the United States 2020-2024"

# Biosimilars sales & savings growth: 2020-2024

Biosimilar Historical Sales 2010-2019 and Outlook Scenarios 2020-2024, US\$Bn



# Biosimilars are just as safe and effective as brand-name biologics

***“No interruption in therapeutic outcomes have been seen to date”***

*(Wolff-Holz et al., 2019)*

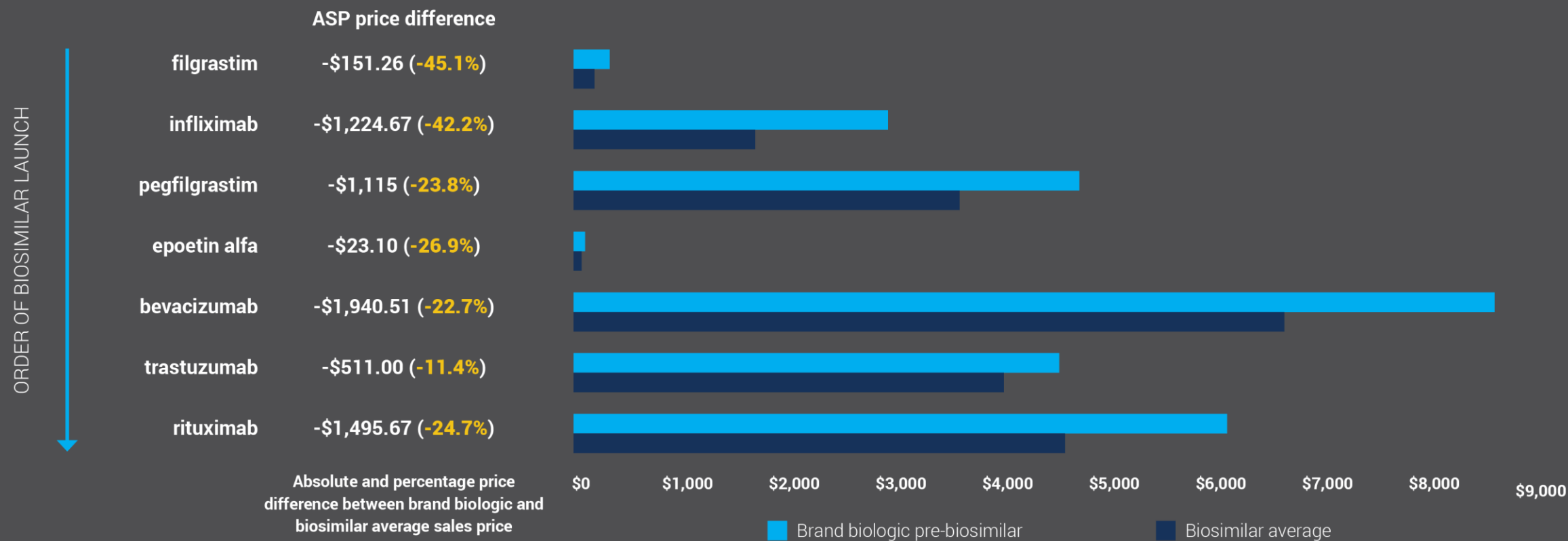
*Kaiser Permanente performed its own study on 700 patients and the results showed that neutropenia was lower vs. Filgrastim*

***“...No clinically significant differences”***

*(Bhat, et al., 2020)*

# Biosimilars are less expensive than their reference brand biologic

Originator and Mean Biosimilar Average Sales Price (ASP) in US\$, July 2020

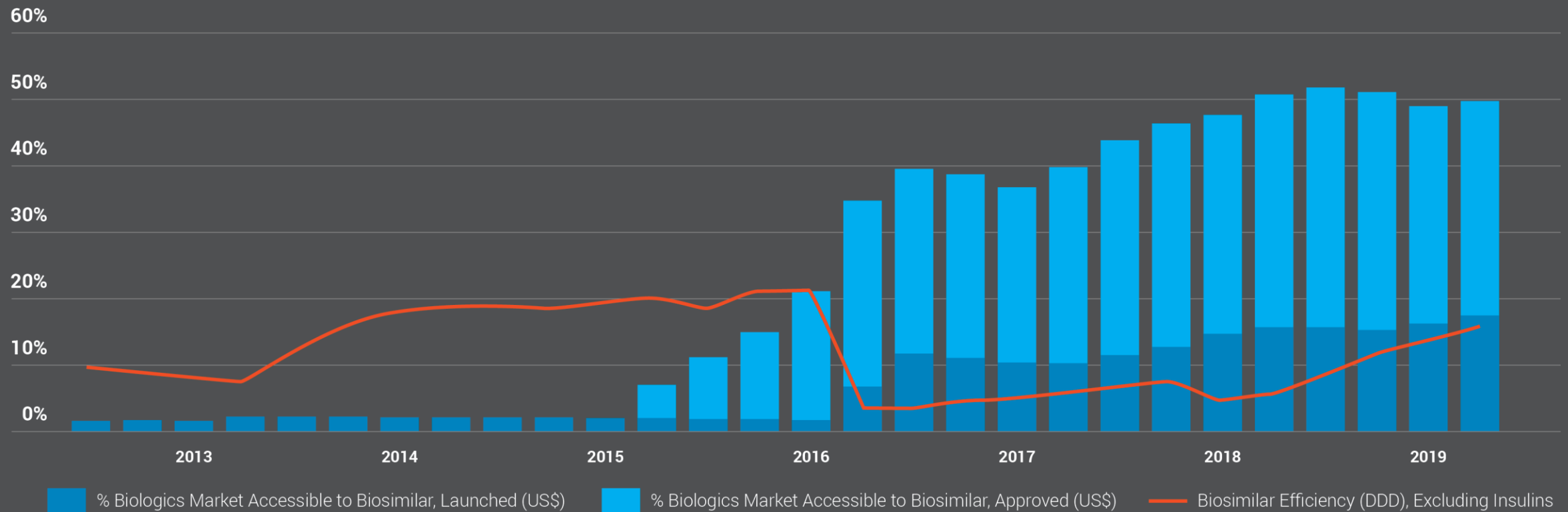


Source: IQVIA National Sales Perspective, June 2020; IQVIA Institute, September 2020  
Report: Biosimilars in the United States 2020-2024: Competition, Savings and Sustainability. IQVIA Institute for Human Data Science, October 2020



# Biosimilar market share continues to trail brands

Biosimilar volume share of the molecules where they compete is <20% using either a strict 351k pathway definition or a more general non-original biologic definition



Source: IQVIA National Sales Perspectives, IQVIA Institute, December 2019