The U.S. Generic & Biosimilar Medicines Savings Report

SEPTEMBER 2022

Topline Findings

Generic Savings

- The average generic copay: $6.16[1]
- The average brand-name copay: $56.12[1]
- 93% of generics have a copay less than $20. Only 59% of brands have a copay less than $20

Biosimilar Savings

- Savings increased to $7 billion in 2021
- Biosimilars have been used in over 364 million days of patient therapy, and have been used in over 150 million additional days of therapy that otherwise would have not been provided
- Generated more than $13 billion in savings since 2015

1 IQVIA LAAD dataset. (May 2021) US Market Access Strategy Consulting Analysis.

Topline Findings

Health Care System Savings

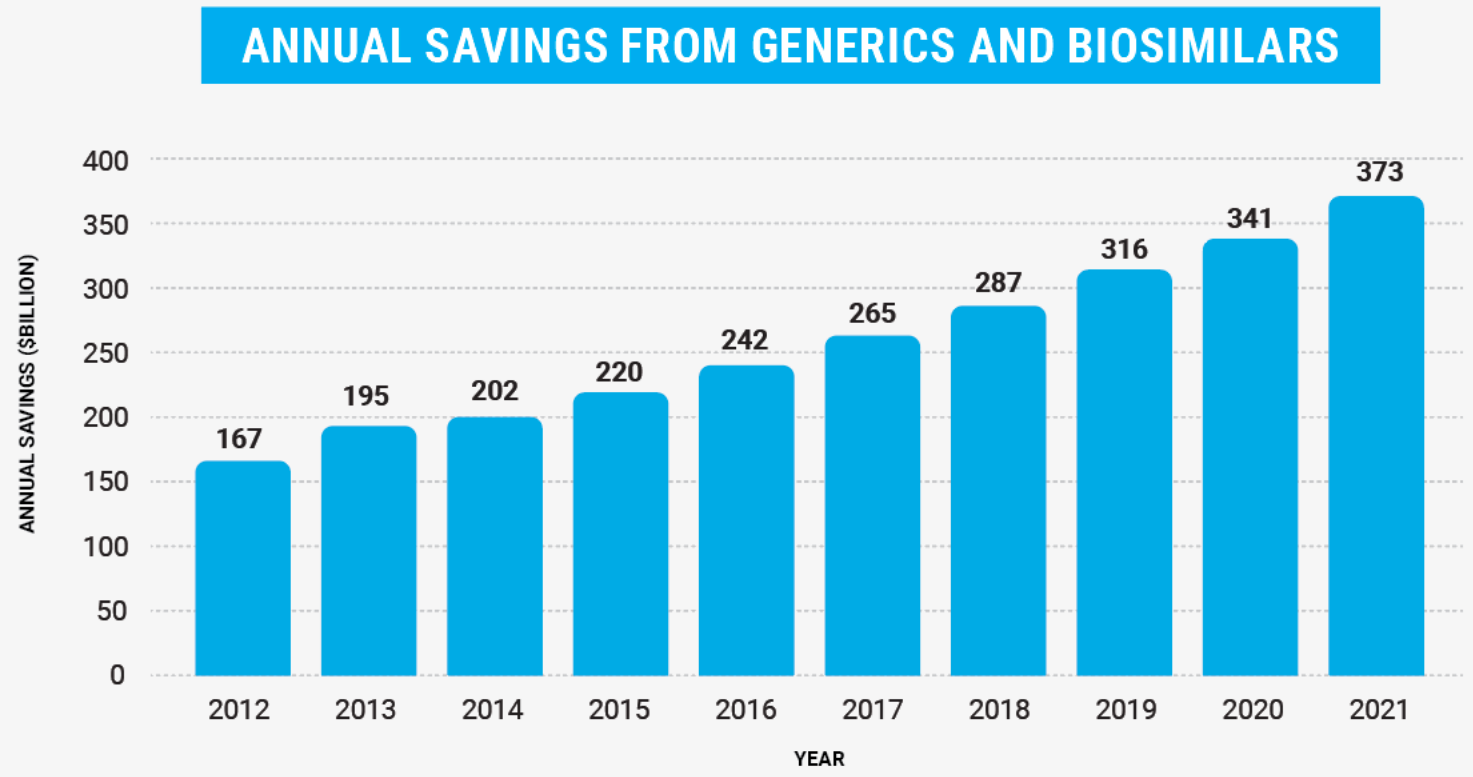
- Total Generic and Biosimilar Savings for 2021: $371 billion
- Total Generic and Biosimilar Savings for past 10 years: more than $2.6 trillion
- Total Generic and Biosimilar Savings to Medicare for 2021: $119 Billion ($2,447 per enrollee)
- Total Generic and Biosimilar Savings in Commercial Plans for 2021: $178 Billion
- Nearly 6.4 billion generic and biosimilar prescriptions dispensed
- Generics represent 91% of prescriptions filled, yet account for only 18.2% of prescription drug spending
- Generics represent only 3% of all health care spending[3]

2 Peterson-KFF Health System Tracker. "What drives health spending in the U.S. compared to other countries." September 25, 2020. Note: Generic and brand drug share of prescription drug spending was calculated using an analysis of the 2018 Medical Expenditures Panel Survey. Total drug spending was segmented into generics and brans. Those percentages were then applied to the Peterson -KFF Health System Tracker analysis of spending by type of expenditure in the U.S. health care system.

Overall Savings Generated by Generics and Biosimilars

Savings From Generics and Biosimilars Totaled $373 Billion in 2021

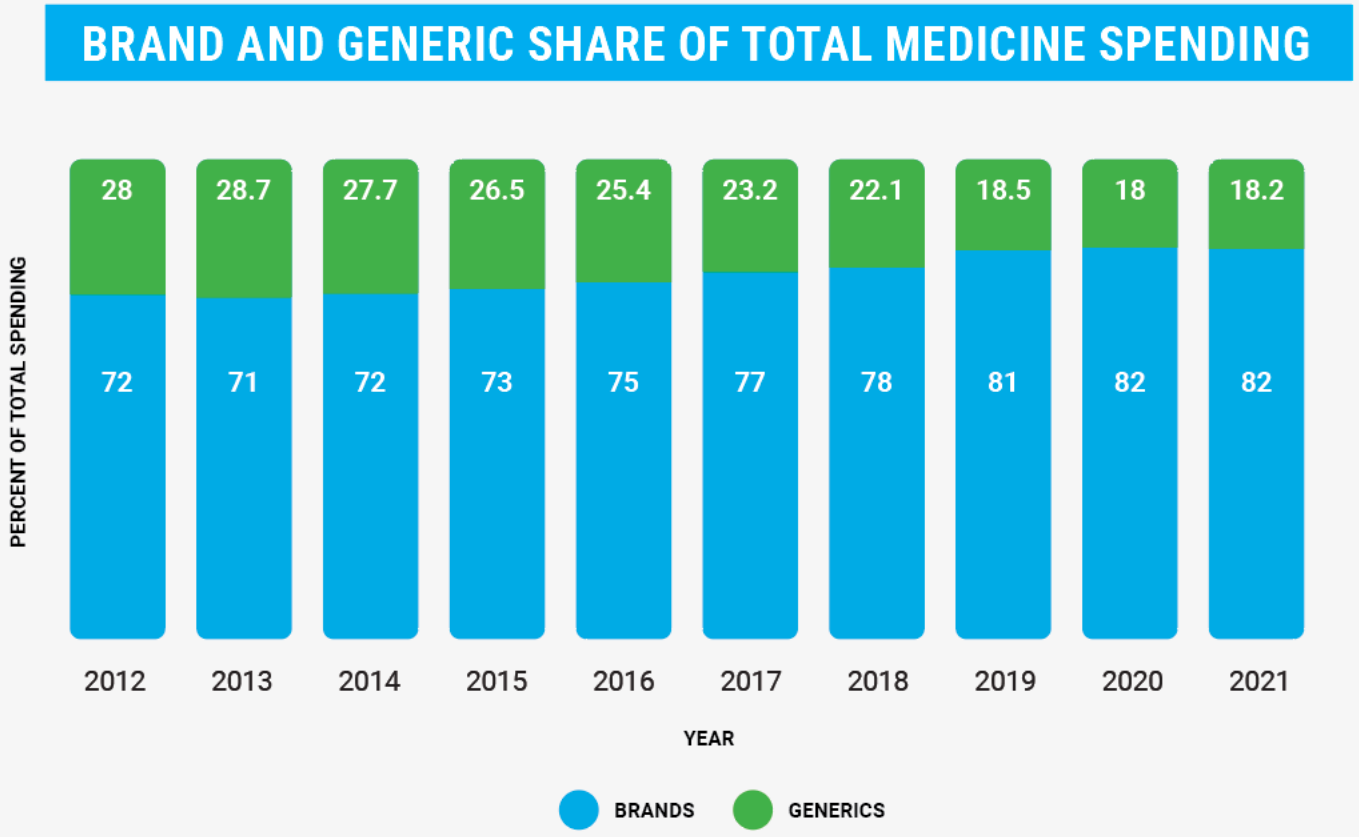
GENERIC AND BIOSIMILAR SAVINGS INCREASED BY $32 BILLION FROM 2020 TO 2021



Source: IQVIA, National Sales Perspectives, Dec 2021.

Generics and Biosimilars Account for 18.2% Of Total Medicine Spending

GENERICS AND BIOSIMILARS ARE 91% OF ALL PRESCRIPTIONS



Source: IQVIA, National Sales Perspectives, Dec 2021.

Biosimilars Deliver on Their Promise of Access and Savings

39
APPROVED

22
MARKETED

BIOSIMILAR SAVINGS SINCE 2015
$13.3 BILLION

BIOSIMILARS HAVE BEEN USED IN MORE THAN **364 MILLION DAYS** OF PATIENT THERAPY AND HAVE RESULTED IN MORE THAN **150 MILLION INCREMENTAL DAYS** OF THERAPY

BIOSIMILAR COMPETITION IS DRIVING LOWER PRICES AMONG BIOSIMILARS AND THEIR REFERENCE PRODUCTS

Approval / Marketing data as of September 2022.
Source: U.S. FDA and AAM Commercial Assessment. Savings and patient day data developed by Biosimilars Council with IQVIA.

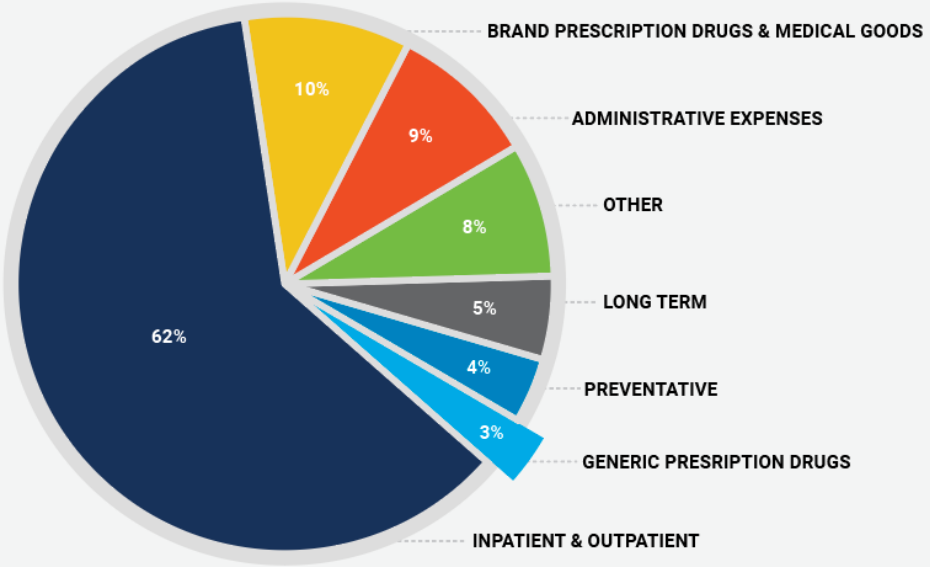
Generics and Biosimilars Reduce Health Care Spending

GENERICS REPRESENT THE SMALLEST PORTION OF OVERALL SPENDING ON HEALTH

GENERIC DRUGS ACCOUNT

FOR ONLY 3% OF TOTAL

U.S. HEALTH CARE SPENDING



Source: IQVIA LAAD dataset. (May 2021) U.S. Market Access Strategy Consulting Analysis.

IQVIA Institute for Human Data Science. (May 2021) "The Use of Medicines in the U.S. - Spending and Usage Trends and Outlook to 2025."

Peterson-KFF Health System Tracker. "What drives health spending in the U.S. compared to other countries." September 25, 2020. Note: Generic and brand drug share of prescription drug spending was calculated using an analysis of the 2018 Medical Expenditures Panel Survey. Total drug spending was segmented into generics and brans. Those percentages were then applied to the Peterson -KFF Health System Tracker analysis of spending by type of expenditure in the U.S. health care system.

The Top 10 Generics of 2021 Saved $110 Billion

THE TOP 10 PRODUCTS OF 2021 REPRESENT 26% OF THE OVERALL SAVINGS IN THE PAST 10 YEARS

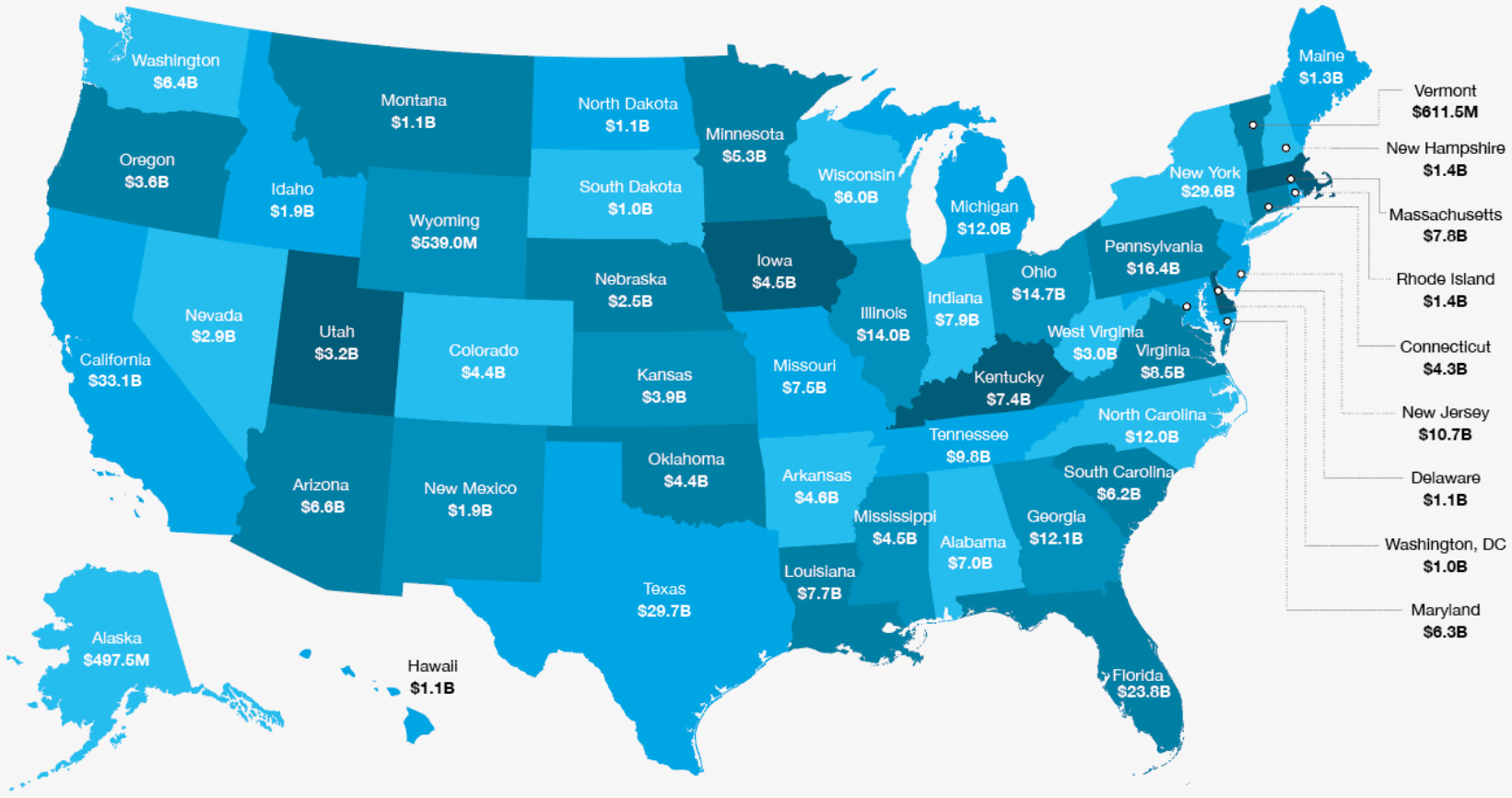
TOP 10 PRODUCTS WITH GREATEST SAVINGS IN 2021

Products	Generic Entry Year	Brand Pre-Expiry Price (Per Unit)	Price of Generic Equivalent 2020 (Per Unit)	2021 Savings ($Bn)	Percent Savings
Lipitor	2010	$3.29	$0.07	$21.4	98%
Zofran	2005	$8.47	$0.19	$16.1	222%
Crestor	2015	$5.78	$0.08	$12.6	99%
Prilosec	2001	$3.31	$0.06	$12.4	98%
Abilify	2014	$21.68	$0.29	$10.3	99%
Norvasc	2006	$1.54	$0.02	$9.1	99%
Neurontin	2003	$1.02	$0.07	$7.4	94%
Protonix	2006	$2.83	$0.07	$7.3	97%
Cymbalta	2012	$4.61	$0.16	$6.8	97%
Lyrica	2019	$6.93	$0.12	$6.7	99%

Source: IQVIA, National Sales Perspectives, Dec 2021.

Savings by Category

Savings by State



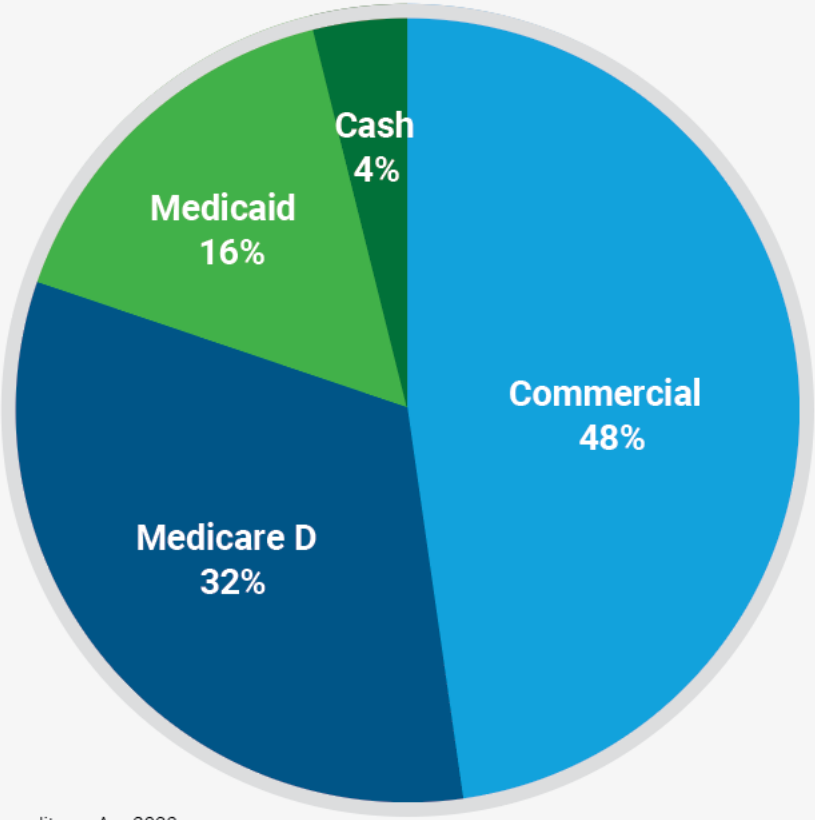
Source: IQVIA, National Sales Perspectives, Dec 2020.

2021 Generic Savings by Payer

MEDICARE AND COMMERCIALLY INSURED PATIENTS GENERATE THE MAJORITY OF GENERIC SAVINGS

2021 GENERIC SAVINGS

BY PAYER



Source: IQVIA, National Sales Perspectives; PayerTrak, Dec 2021; CMS Natl Expenditures Apr 2022.

Savings by Primary Patient Condition

GENERICS SAVE BILLIONS FOR AMERICA'S PATIENTS WITH COMMON CONDITIONS

TOP 10 GENERIC SAVINGS BY CONDITION IN 2021

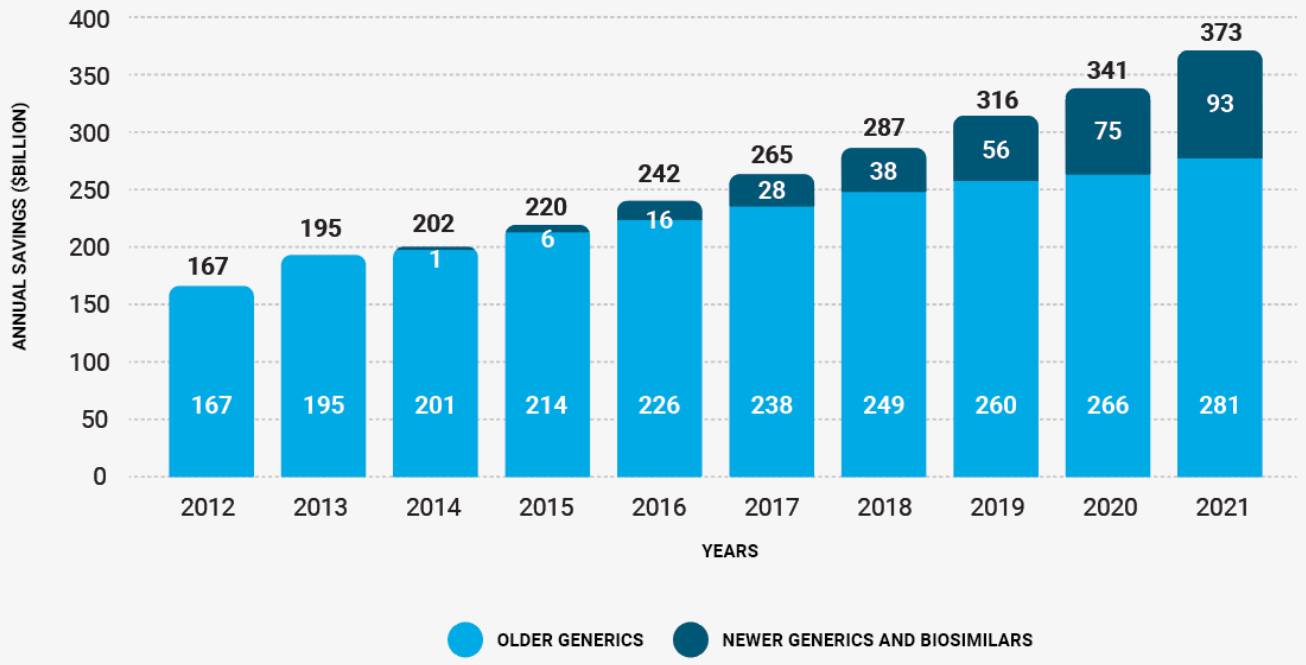
CONDITION	TOTAL SAVINGS (PRIMARY CONDITION + COMORBIDITIES)
Heart Disease	$96.7 Billion
Mental Illness	$59.7 Billion
Diabetes	$56.7 Billion
Epilepsy	$37.4 Billion
Cancer	$17.9 Billion
Allergies and Asthma	$12.4 Billion
HIV/AIDS	$5.8 Billion
Alzheimer's disease	$5.5 Billion
Chronic Obstructive Pulmonary Disease (COPD)	$5.3 Billion
Crohn's & Colitis	$3.3 Billion

Source: IQVIA, National Sales Perspectives, Dec 2021.

New Generic Savings

New Generic and Biosimilar Competition Generated $93 Billion in Savings in 2021

GENERICS AND BIOSIMILARS LAUNCHED SINCE 2012 HAVE $312 BILLION IN CUMULATIVE SAVINGS



Source: IQVIA, National Sales Perspectives, Dec 2021.

New Generics Face PBM Delays in Coverage

MANY PBMS AND HEALTH PLANS DELAY COVERAGE OF NEW GENERICS DESPITE THEIR LOWER COST

PERCENT OF NEW GENERICS COVERED BY MEDICARE PART D AND COMMERCIAL PLANS BY FORMULARY YEAR

Launch Year	2016		2017		2018		2019		2020		2021		2022	
	M	C	M	C	M	C	M	C	M	C	M	C	M	C
2016	22%	46%	31%	68%	63%	72%	58%	72%	60%	76%	62%	78%	61%	90%
2017			12%	58%	25%	73%	58%	73%	65%	76%	65%	76%	64%	89%
2018					17%	39%	27%	49%	51%	59%	54%	60%	54%	84%
2019							31%	44%	59%	60%	72%	61%	72%	88%
2020									21%	55%	41%	66%	60%	90%
2021											23%	86%	46%	89%

MEDICARE PART D (M) COMMERCIAL (C)

Source: Analysis of Medicare Part D formulary data from CMS and commercial market formulary data from Managed Markets Insight & Technology, LLC.

Biosimilars Overview

Biosimilars Deliver on Their Promise of Access & Savings

39
approved

23
marketed

Biosimilar Savings since 2015

$13 Billion

Biosimilars have been used in more than **364 million days** of patient therapy and have resulted in more than **150 million incremental days** of therapy.

Biosimilar competition is driving lower prices among biosimilars and their reference products

Approval / Marketing data as of October 2022. Source: U.S. FDA.
Patient day & savings data developed by Biosimilars Council with IQVIA

The Growing Biosimilars Market

AS OF SEPTEMBER 2022

Class	Supportive Care			Oncology			TNF Blockers			Insulin	Ophthalmology
Molecule	filgrastim	epoetin alfa	pegfilgrastim	rituximab	bevacizumab	trastuzumab	infliximab	etanercept	adalimumab	insulin glargine	ranibizumab
Innovator Manufacturer	Neupogen Amgen	Epogen/Procrit Amgen/JnJ	Neulasta Amgen	Rituxan Genentech	Avastin Genentech	Herceptin Genentech	Remicade JnJ	Enbrel Amgen	Humira AbbVie	Lantus Sanofi	Lucentis Genentech
Launched Manufacturer Launch Date	Zarxio Sandoz Sep 2015	Retacrit Pfizer/Vifor Nov 2018	Fulphila Viatris Jul 2018	Truxima Teva Nov 2019	Mvasi Amgen Jul 2019	Kanjinti Amgen Jul 2019	Inflectra Pfizer Nov 2016	Ongoing Litigation - Forecasted Launch 2028/2029	Biosimilars referencing Humira will launch in 2023	INT Semglee Viatris Nov 2021	Byooviz Biogen Jun 2022
	Nivestym Pfizer Oct 2018		Udenyca Coherus Jan 2019	Ruxience Pfizer Jan 2020	Zirabev Pfizer Jan 2020	Ogivri Mylan Nov 2019	Renflexis Organon Jul 2018			Rezvoglar Eli Lilly Dec 2021	INT Cimerli Coherus Aug 2022
Approved Manufacturer FDA Approval Date	Releuko Amneal March 2022		Ziextenzo Sandoz Nov 2019	Riabni Amgen Jan 2021	Alymsys Amneal Apr 2022	Trazimera Pfizer Feb 2020	Avsola Amgen Jul 2020	Erelzi Sandoz Aug 2016	Amjevita Amgen Sep 2016	Abrilada Pfizer Nov 2019	
			Nyvepria Pfizer Dec 2020			Herzuma Teva Mar 2020	Ixifi Pfizer Dec 2014	Eticovo Samsung Apr 2019	INT Cyltezo BI Aug 2017	Hulio Viatris Jul 2020	
			Fylnetra Amneal May 2022			Ontruzant Merck Apr 2020			Hyrimoz Sandoz Oct 2018	Yusimry Coherus Dec 2021	
			Stimufend Fresenius Kabi Sep 2022						Hadlima*** Organon		

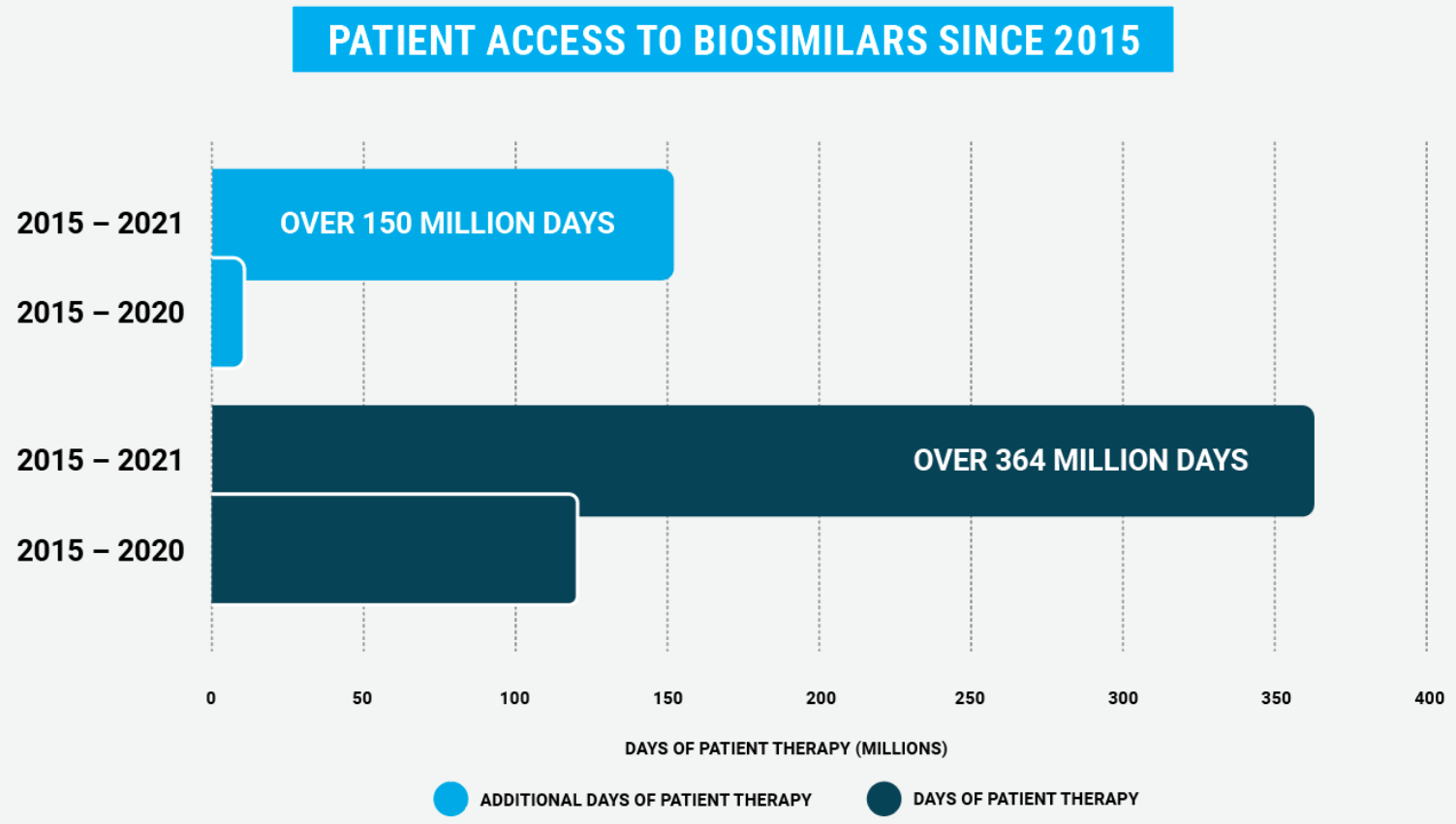
INT Interchangeability

*** A high concentrate (August 2022) and low concentrate (July 2019) version are approved.

Source: U.S. FDA Approvals & AAM Commercial Assessment.

Biosimilars Are Increasing Patient Access to Care

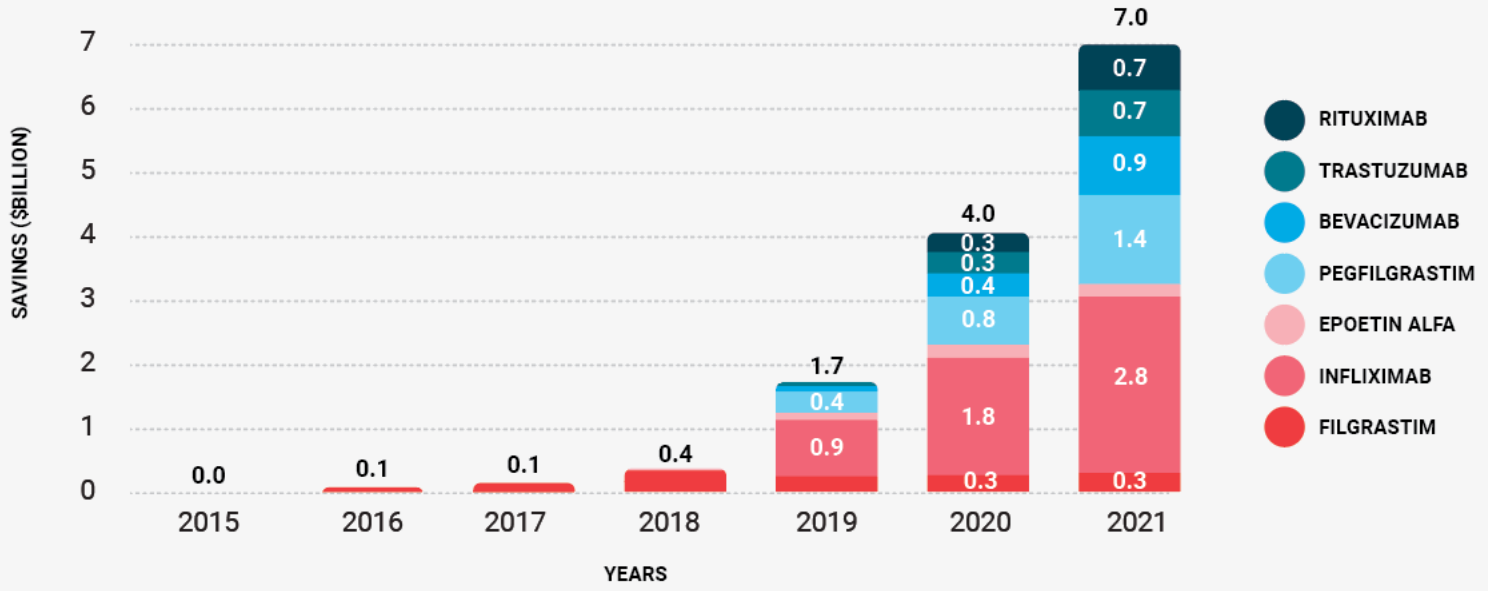
TOTAL PATIENT UTILIZATION HAS INCREASED IN EVERY MOLECULE WITH BIOSIMILAR COMPETITION



Source: IQVIA analysis of defined daily dose information and product volume.

Biosimilar Savings Totaled $7 Billion in 2021

SINCE 2015, BIOSIMILARS HAVE GENERATED $13.3 BILLION IN SAVINGS

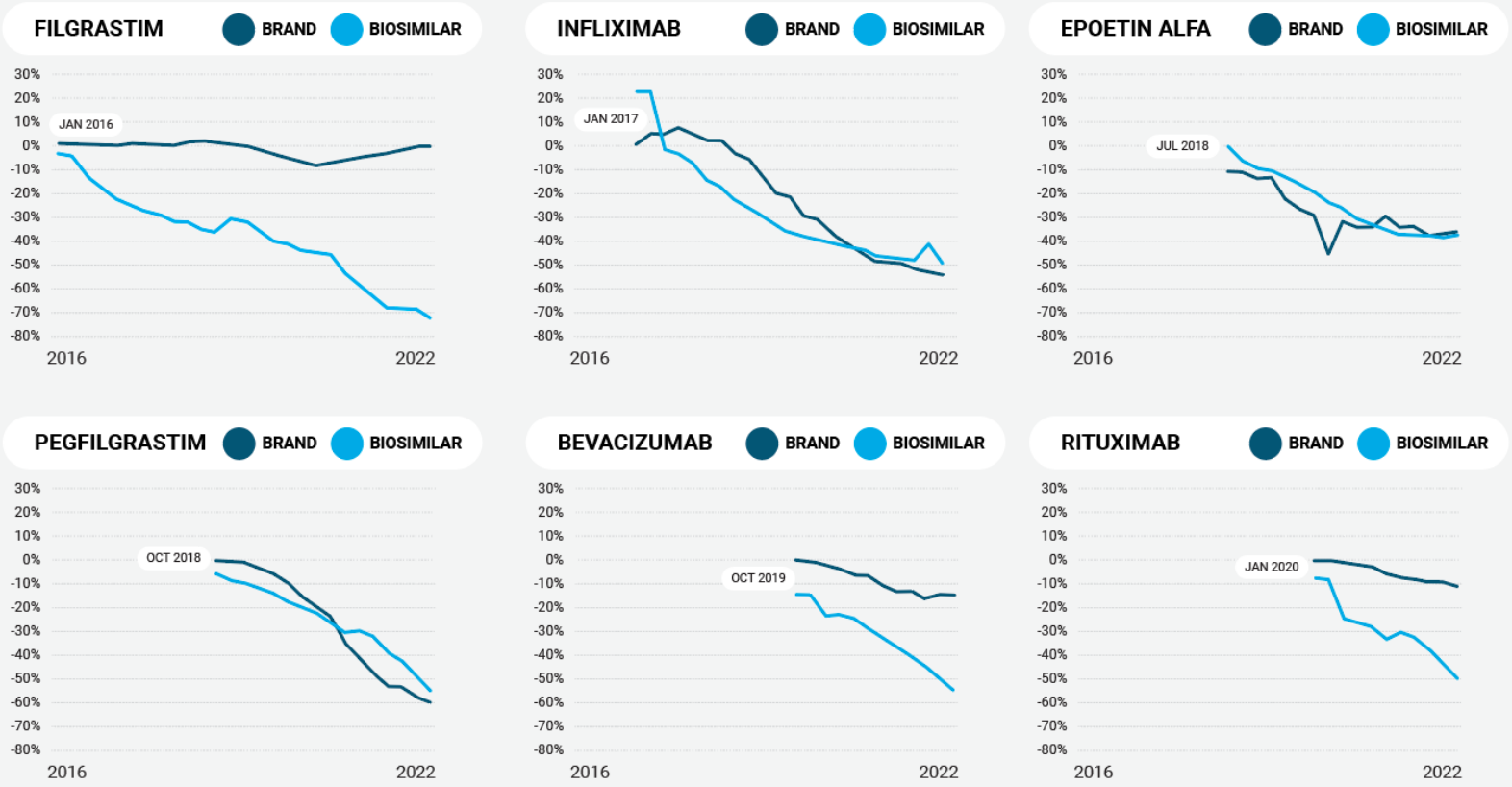


Source: IQVIA, National Sales Perspectives, Dec 2021.

Biosimilar Competition Results in Lower Prices

BRAND BIOLOGIC AND BIOSIMILAR PRICES DECLINE FOLLOWING BIOSIMILAR LAUNCH

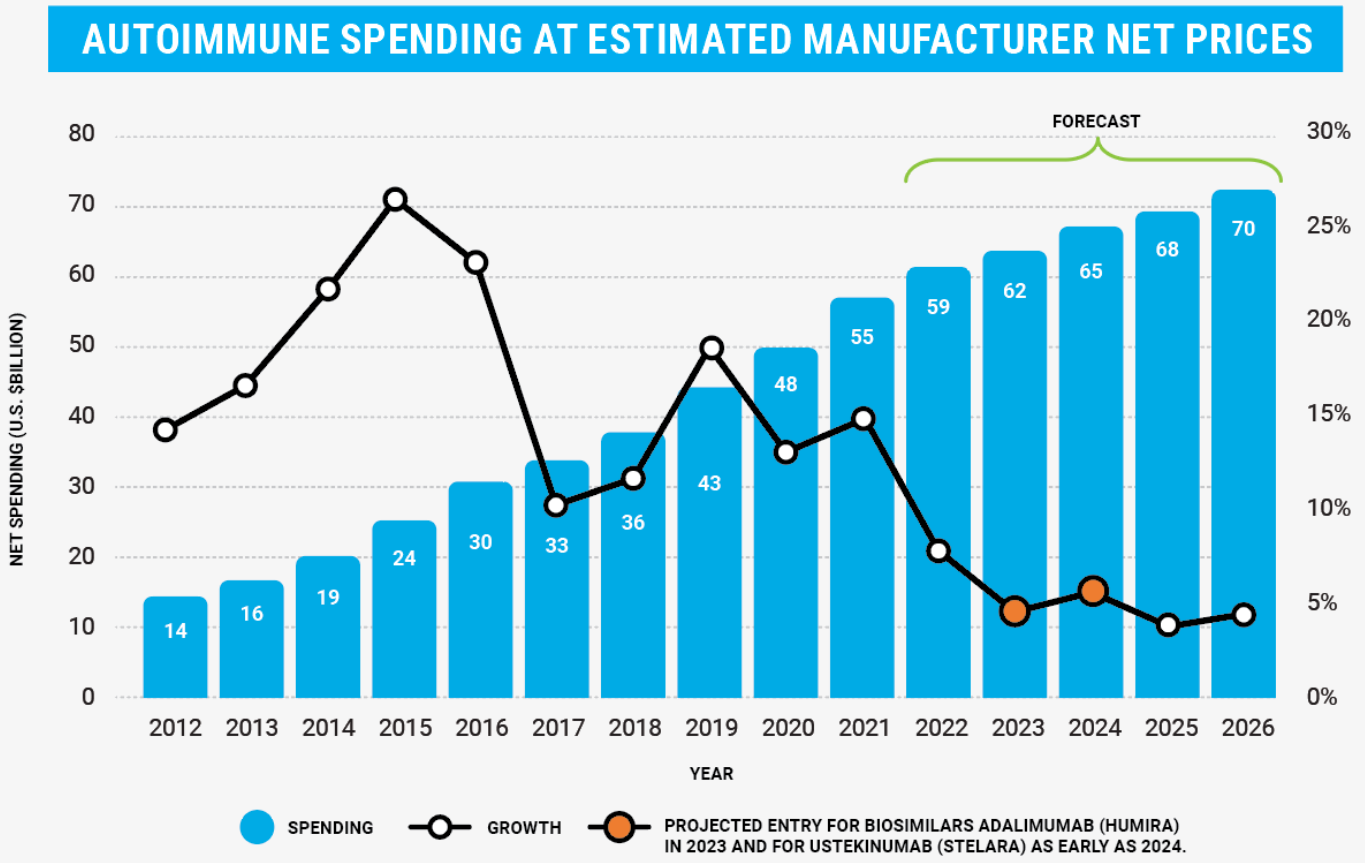
BRAND AND BIOSIMILAR AVERAGE SALES PRICE, 2016-2022



Source: Medicare Average Sales Price File, June 2022.
Biosimilar price includes an average of all marketed biosimilars.

Biosimilars Are Projected To Reduce Spending Growth on Medicines To Treat Autoimmune Diseases

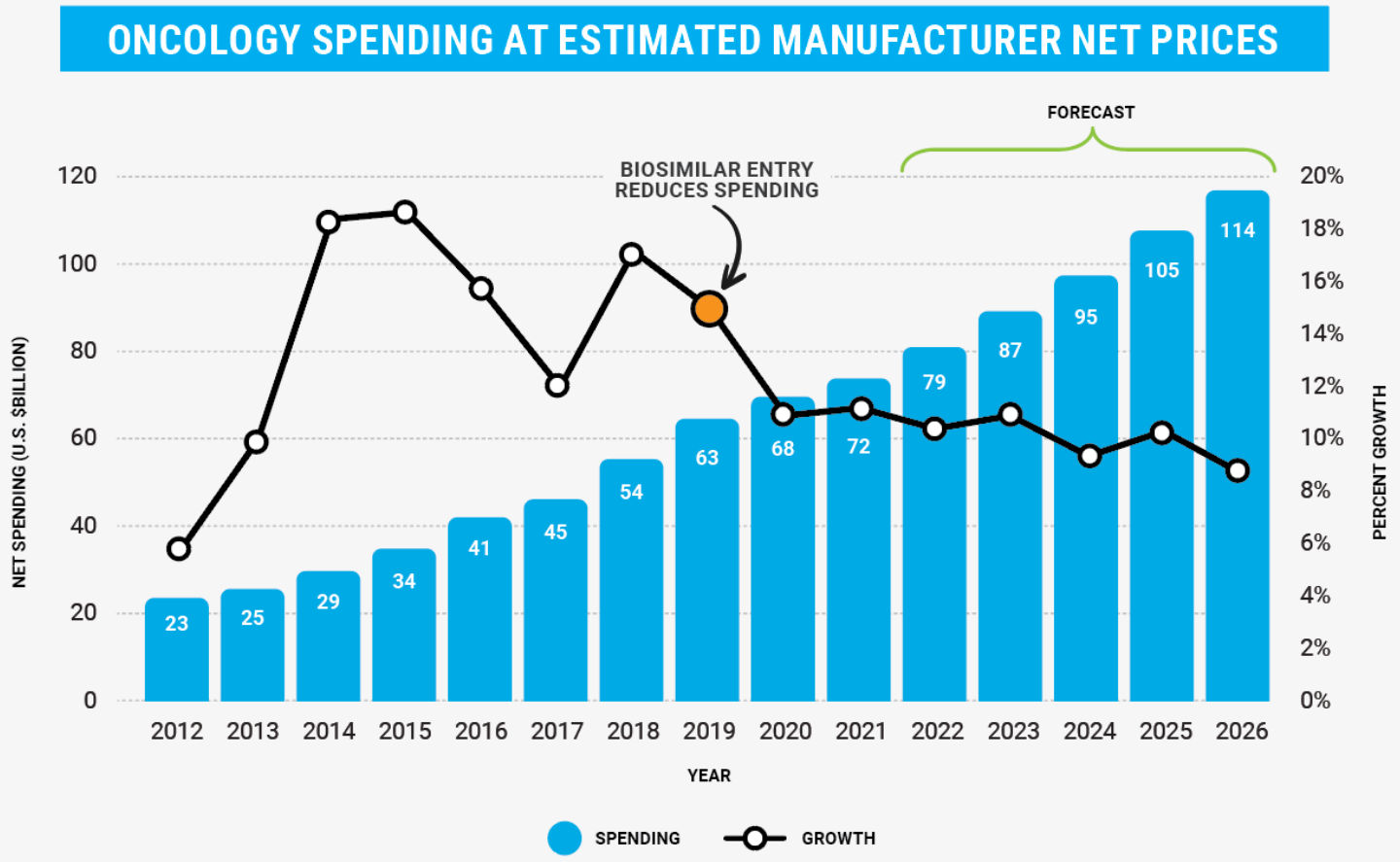
PATIENTS WILL BENEFIT FROM NEW BIOSIMILAR COMPETITION AND LOWER PRICES



Source: The Use of Medicines in the U.S.2022. IQVIA Institute for Human Data Science, April 2022.

Biosimilars Have Already Slowed Spending Growth for Cancer Treatments

BIOSIMILARS HAVE REDUCED ONCOLOGY SPENDING GROWTH BY ROUGHLY HALF

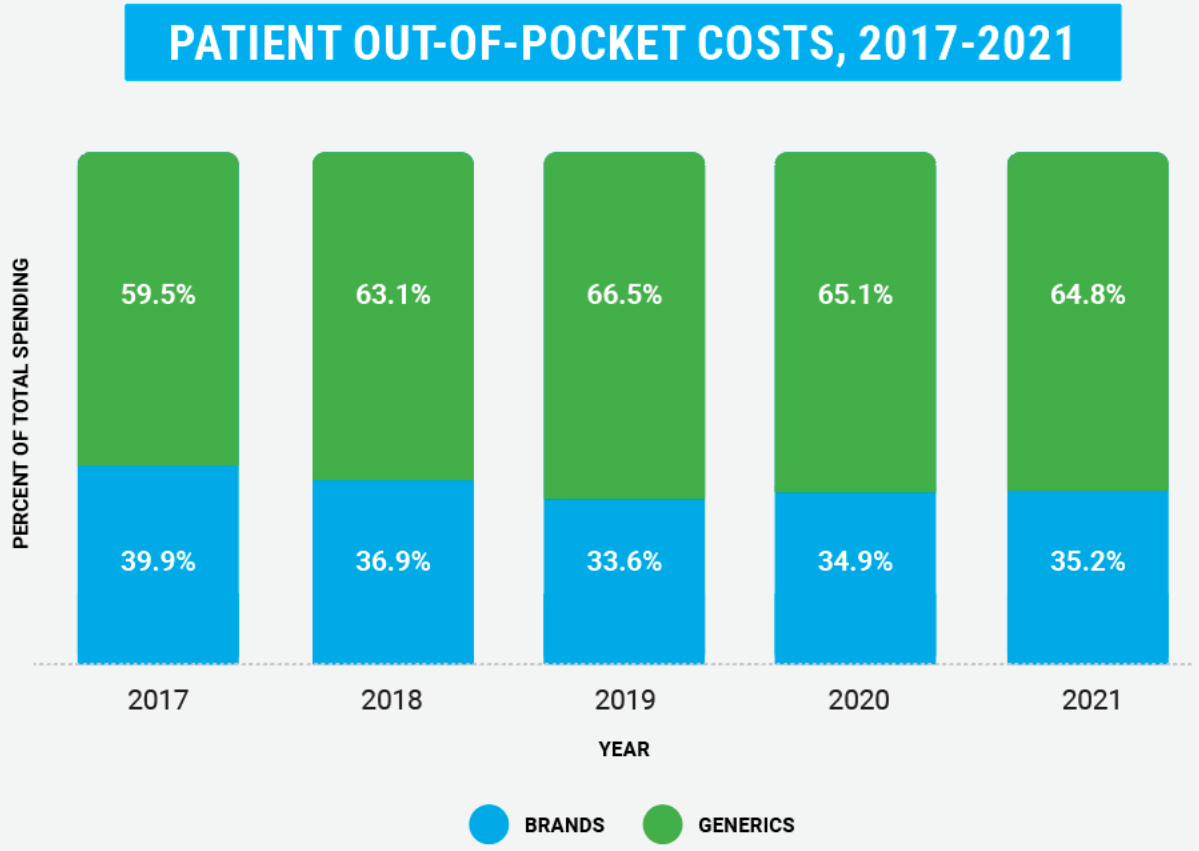


Source: IQVIA Institute Mar 2022.
Notes: Oncology includes therapeutics and not supportive care.
Spending is at estimated net manufacturer price level. Report: The Use of Medicines in the U.S.2022. IQVIA Institute for Human Data Science, April 2022.

Patient Out-of-Pocket Costs

Patient Costs for Generics Do Not Reflect Generic Prices

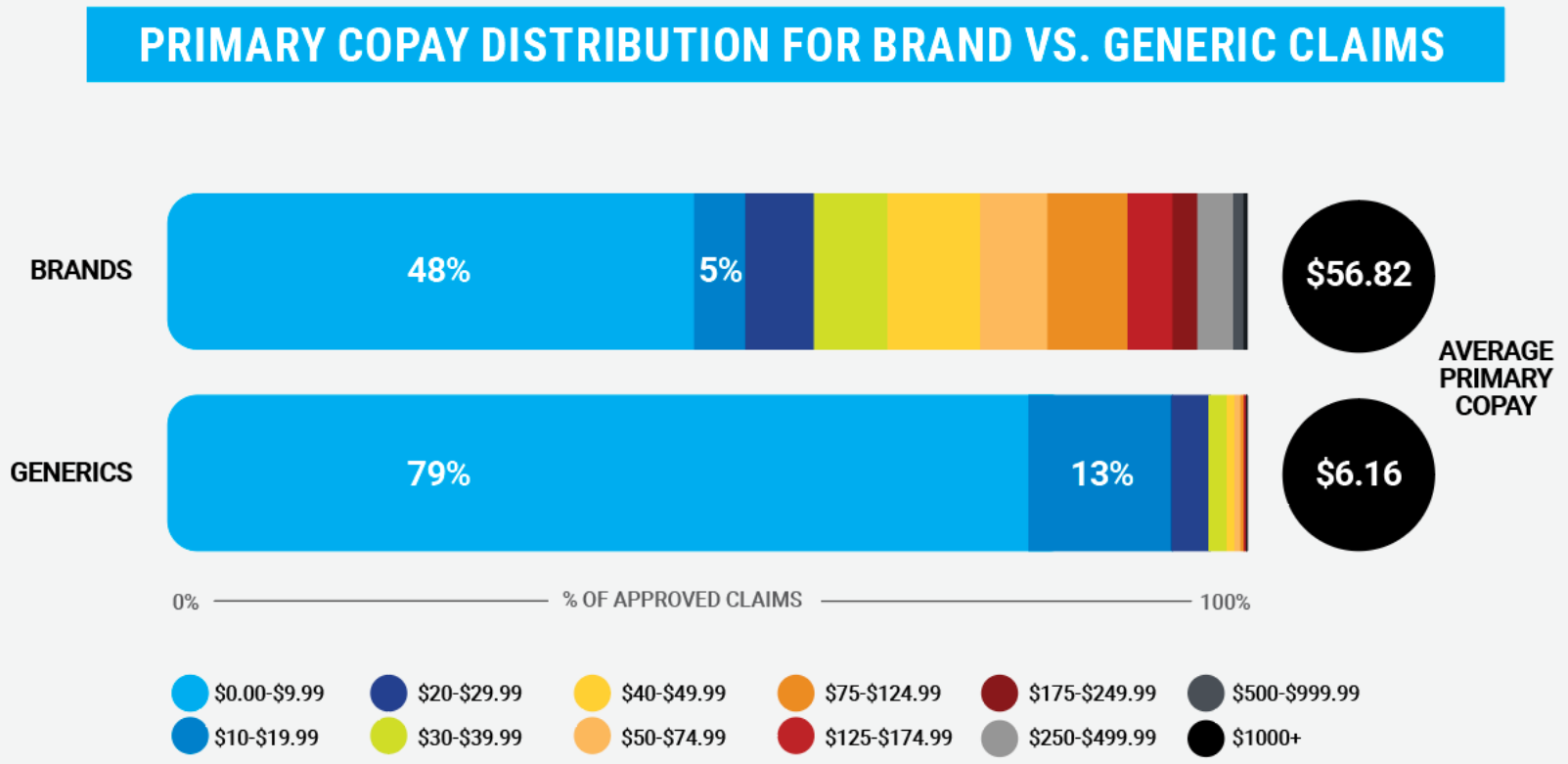
GENERICS ARE ONLY 16% OF INVOICE-LEVEL SPENDING BUT 65% OF PATIENT OUT-OF-POCKET COSTS



Source: IQVIA National Sales Perspectives; IQVIA National Prescription Audit; IQVIA LAAD Sample Claims Data, Dec 2021.

92% of Generics Had a Copay of Less Than $20, Compared to Just 53% of Brands

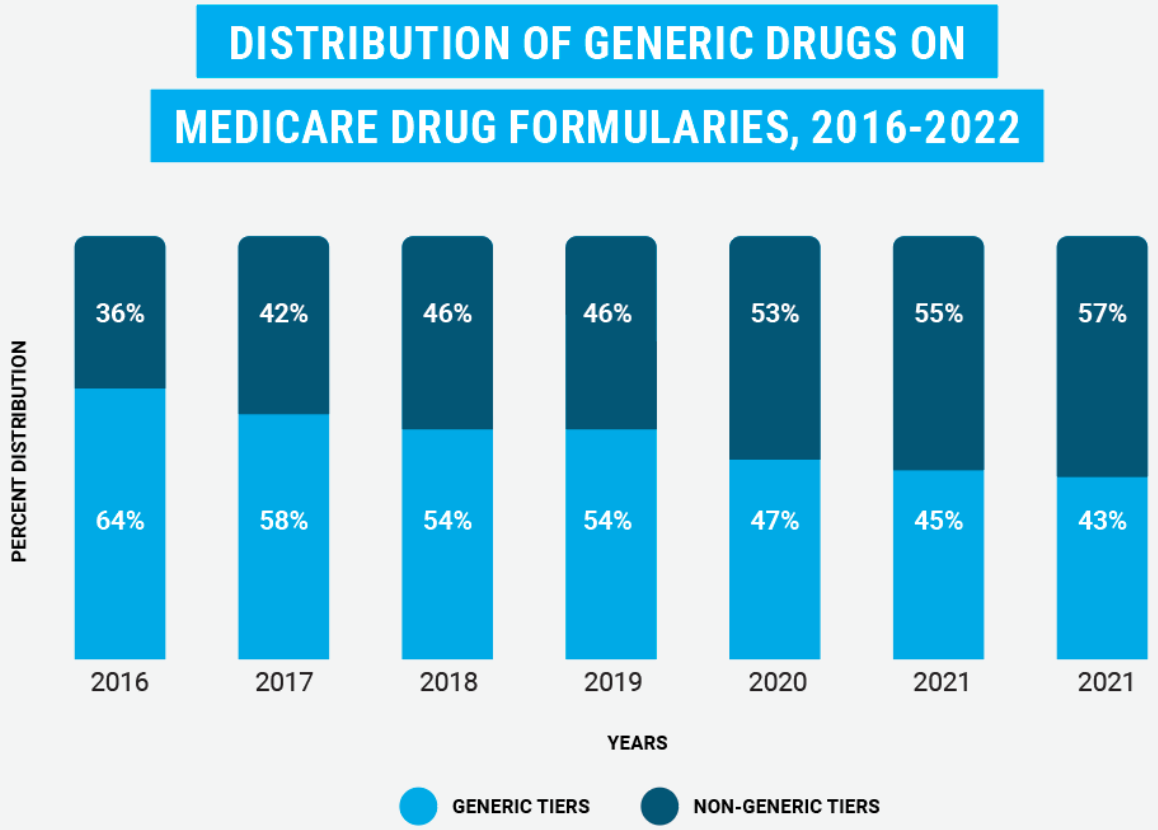
THE AVERAGE BRAND PRESCRIPTION IS ABOUT 8.5X MORE THAN THE GENERIC



Note: *Includes commercial, Medicare Part D, and Medicaid channels; **limited to standard market baskets.
Source: IQVIA LAAD dataset; U.S. Market Access Strategy Consulting analysis.

Plans Continue to Shift Generics Onto Brand Tiers With Higher Copay Requirements

MORE PATIENTS ARE BEING FORCED TO PAY THE FULL COST OF THEIR GENERIC



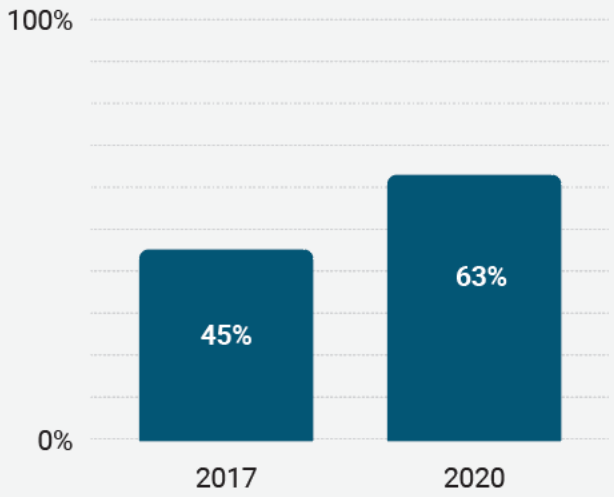
Source: Avalere. 57% of Generic Drugs Are Not on 2022 Part D Generic Tiers. January 2022. Accessible at: https://avalere.com/insights/57-of-generic-drugs-are-not-on-2022-part-d-generic-tiers

Improper Formulary Placement Increases Patient Out-of-Pocket Costs

IN 2020, 63% OF MEDICARE PATIENTS PAID THE FULL COST OF A GENERIC AT LEAST ONCE

PERCENT OF PATIENTS WHO PAID THE FULL COST OF A GENERIC AT LEAST ONCE

BY YEAR



BY THERAPEUTIC CLASS 2020

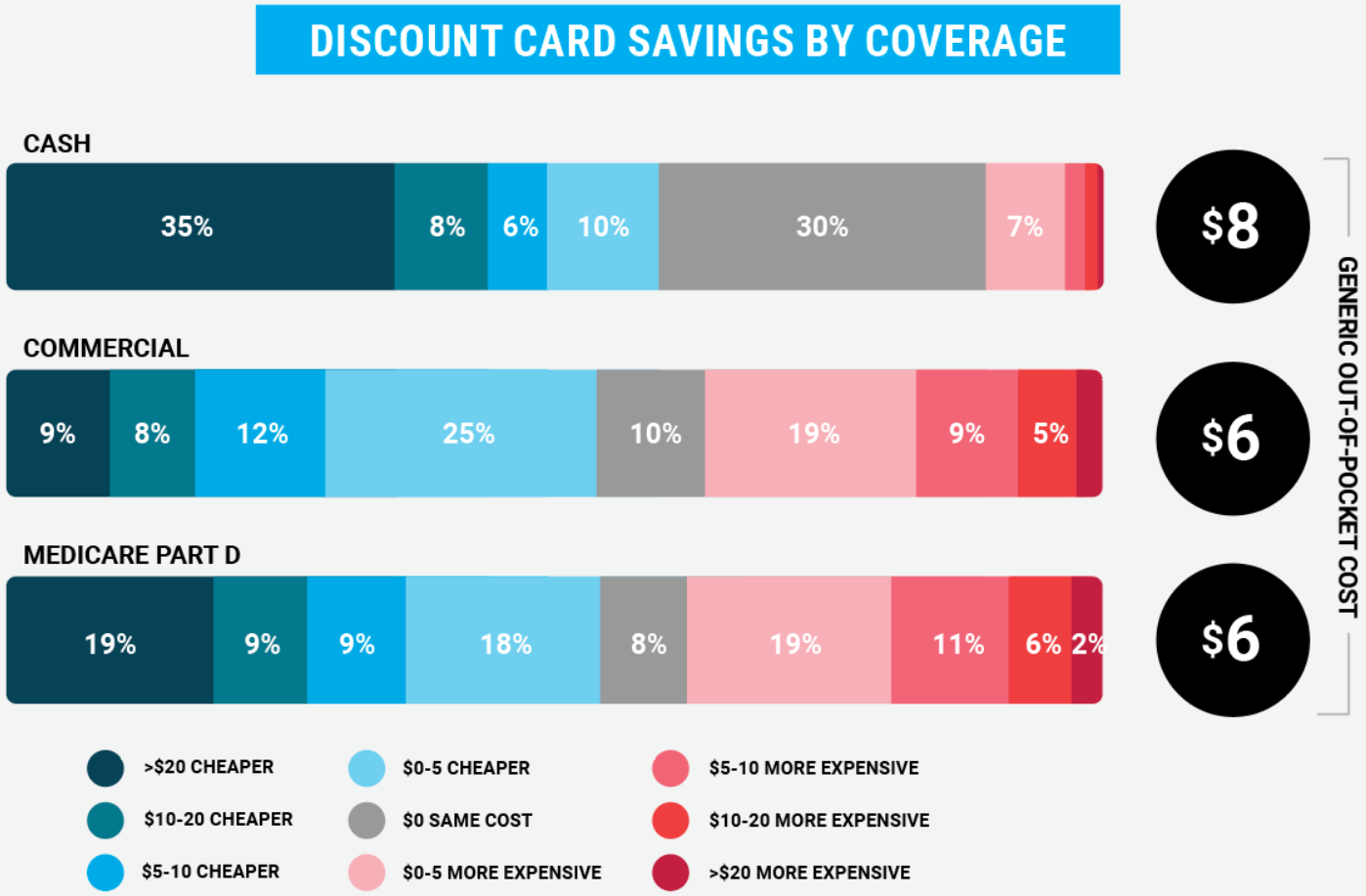
95%	THYROID AGENTS
90%	CONTRACEPTIVES
89%	CARDIOTONICS
86%	ANTIANXIETY AGENTS
82%	MUSCULOSKELETAL THERAPY AGENTS
81%	CALCIUM CHANNEL BLOCKERS
79%	ANTIDEPRESSANTS
76%	ULCER DRUGS / ANTISPASMODICS / ANTICHOLINERGICS
75%	MINERALS & ELECTROLYTES
75%	HYPNOTICS/SEDATIVES/SLEEP DISORDER AGENTS

Source: https://avalere.com/insights/some-medicare-part-d-beneficiaries-pay-full-price-for-generic-drugs.

Note: All findings are based on a 20% sample of the Medicare Part D population. Findings represent the percent of patients in the initial coverage phase of their benefit taking a generic prescription drug on the preferred brand tier who paid the full cost of the prescription at least once in the benefit year.

Many Patients Save by Paying Cash for Their Generic

EVEN PATIENTS WITH INSURANCE SOMETIMES SAVE BY PAYING CASH



Source: IQVIA LAAD Pharmacy Claims data, IQVIA Market Access Strategy Consulting analysis.
Figures represent top ten branded products and top ten generic products by volume across selected therapeutic areas (Hypertension, Breast Cancer, Depression, Upper Respiratory Infection, Arthritis).

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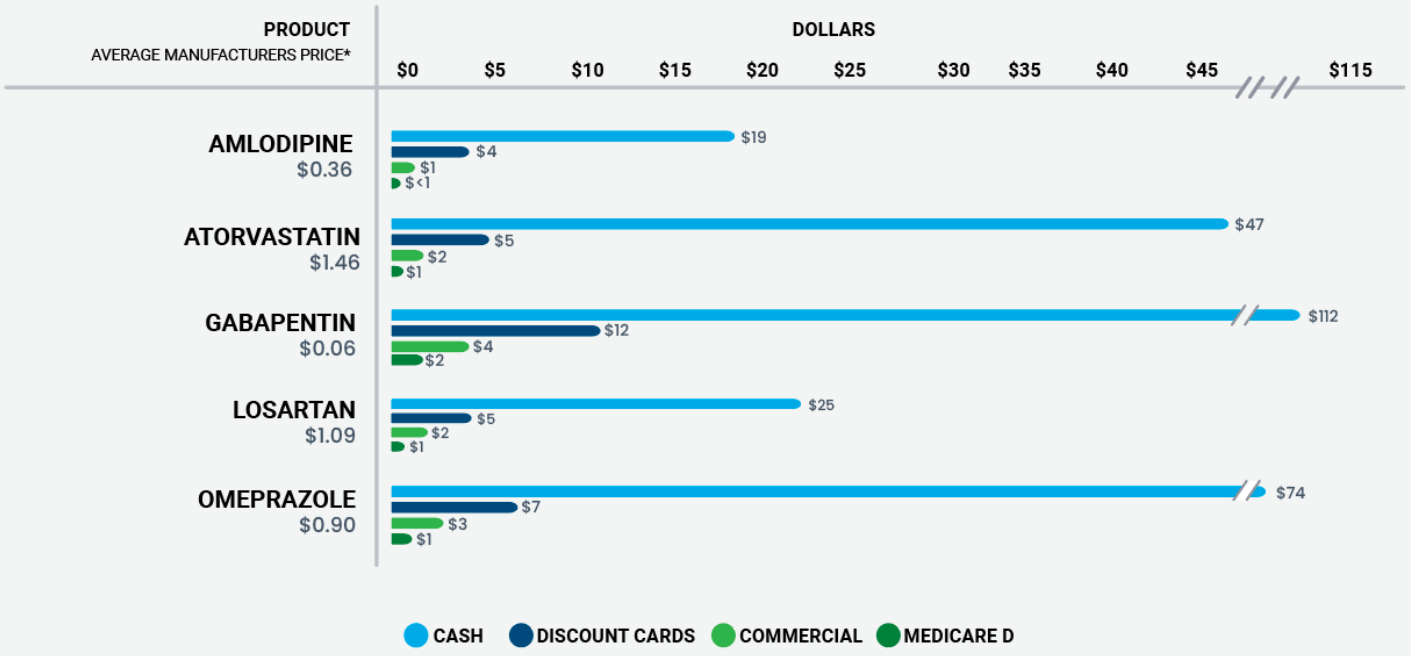
Patient Costs for Common Generics Far Exceed the Manufacturer Price

PBM MARKUPS CAN INFLATE THE COST OF GENERICS FOR PATIENTS

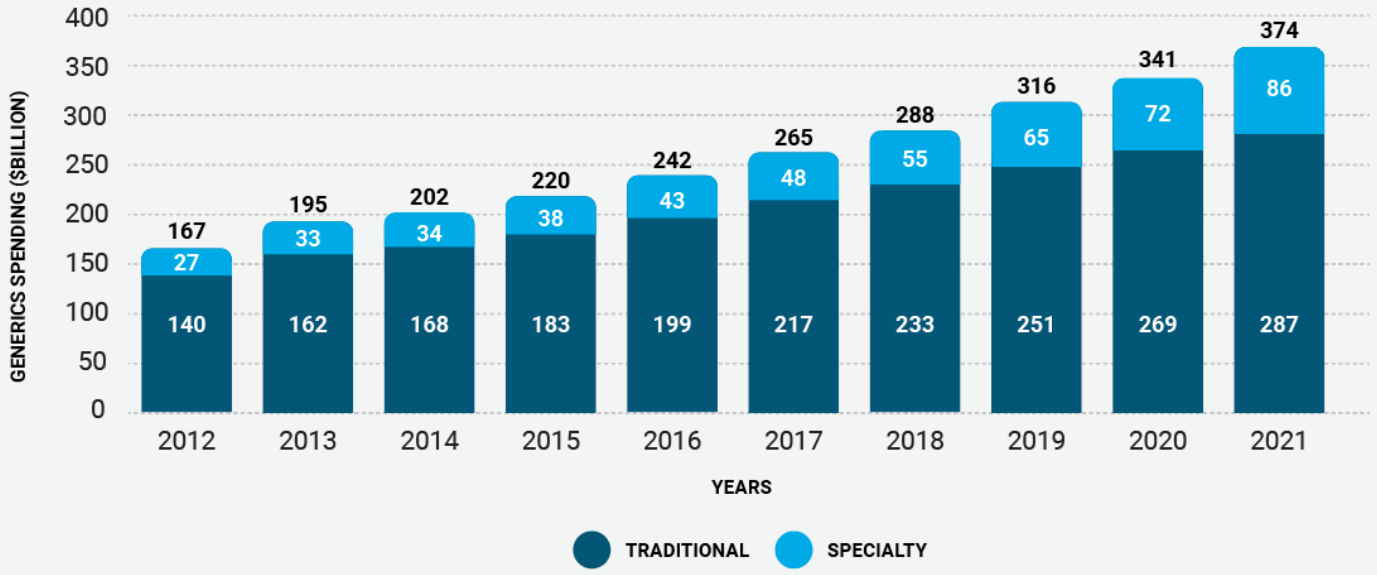


*Estimated Average Manufacturer's Price is per 30-day supply.
Source: IQVIA LAAD Pharmacy Claims data, IQVIA Market Access Strategy Consulting analysis.

Specialty Medicines

Savings From Specialty Generics and Biosimilars Continue To Increase

SPECIALTY GENERICS AND BIOSIMILARS GENERATE MUCH NEEDED SAVINGS AMID RAPIDLY GROWING SPENDING



Source: IQVIA National Sales Perspective, Dec 2021.