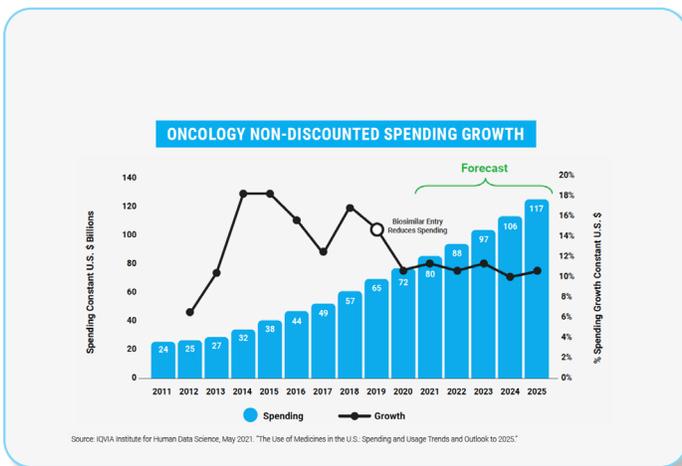


CANCER PATIENTS SAVE \$16 BILLION PER YEAR WITH GENERIC AND BIOSIMILAR PRESCRIPTION MEDICINES

Generics and biosimilars saved patients with cancer \$16.0 billion in 2020, and savings for the past 10 years total \$106.5 billion. An estimated 1.8 million new cases of cancer are diagnosed in the United States each year, and more than 600,000 people die annually from the disease, according to the National Cancer Institute. Patients rely on biosimilar medications to treat breast, stomach and other types of cancers. Biosimilars can also be used to treat side effects of cancer treatments, such as low white blood cell counts, which increase the risk of infections.

2020 patient savings with generics and biosimilars for common types of cancer:

Blood Cancer	\$2.7B
Myeloma	\$385M
Breast cancer	\$7.7B
Lung cancer	\$103M
Colorectal cancer	\$3.3B



As a single mother, a new grandmother and emerging artist, Akaimi has an active and creative lifestyle. Her treatment for large granular lymphocytic leukemia was successful, and the cancer is now in remission, but she continues to have side effects from the chemo treatments. Her doctor recommended a biosimilar. "Not only did it work, but it saves me money too!" Akaimi says. "My copay is only \$25. Now I have the energy and extra money to attend my art exhibits, respond to my Instagram fans and care for my family."

- Leukemia patient Akaimi, 44, San Antonio, TX

As a direct result of biosimilar competition, oncology spending growth declined from about 16% in 2018 to below 10% in 2020, and it is projected to decline further. This is due to robust competition from biosimilars that has bent the cost curve. Biosimilars are forecast to continue playing an integral role in controlling oncology spending in the years ahead, even as new higher-priced oncology drugs come to market.

Source: IQVIA, The Use of Medicines in the U.S. May 2021; National Cancer Institute

AAM 2021 U.S. Generic and Biosimilar Medicines Savings Report: Methodological Overview

This report estimates savings from generic drugs for the 10 year period between 2011 - 2020, as well as a single year estimate for 2020.

Base Savings Estimates: The base savings were calculated by IQVIA. We generated condition-level savings by assigning drugs to a list of common conditions, as well as a list of conditions provided by AAM and aggregating savings for all drug that are used to treat these conditions. Product condition assignments were conducted by a Doctor of Pharmacy. Importantly, many products treat multiple conditions. For purposes of this analysis, we ensured that the most common used of the product was the condition into which it was assigned.

Comorbidity Estimates: We used published epidemiological data to determine the 3 most common comorbidities for each of the index conditions provided by AAM. We calculated the base savings for the primary condition in the same manner as described above, and then assigned a weighted savings to each of the 3 selected comorbid conditions based on published prevalence data. Because the IQVIA data provided units rather than patients, we used units as a proxy for the number of patients treated and adjusted the units, and thus savings, in proportion to the published prevalence of each comorbid condition. Importantly, this methodology, due to the differences in units utilized by patients for specific conditions, could occasionally lead to estimates of comorbidity savings that exceed the total savings for that stand alone condition. In these cases, the savings were either capped, when the total numbers were relatively low relative to the main condition or, more commonly, the incidence rate for the comorbidity was applied again, to ensure a lower savings estimate. While this is a methodological choice and likely underestimates the savings from the comorbidity, it effectively assumes that the commorbidity requires more units per patient treated than the main condition.