



Oppose Illinois HB 1780

HB 1780 Threatens Patients' Access to Safe, Affordable and Effective Generic Drugs



AAM opposes HB 1780 in its current form and recommends, at a minimum, that operational costs be based on the total revenue companies take in from prescription drugs.

Generics are the backbone of the Illinois health care system. HB 1780 puts those benefits at risk.

In 2020, generic medicines saved Illinoisians \$12.7 billion by providing a safe, effective and more affordable alternative to expensive brand-name medicines. Those savings are felt both at the systemic level and by individual patients at the pharmacy counter: Generics account for 90% of prescriptions filled by Americans but only 18% of prescription drug spending, and are available at an average co-pay of \$6.61, compared to \$55.82 for brand-name medicines.

Under similar Take Back programs, the companies that drive 80% of drug spending cover only a fraction of the program's cost.

Manufacturers of brand-name medicines account for more than 80% of prescription drug spending, but Take Back programs historically have relied on generic manufacturers to shoulder the associated costs. With HB 1780 silent on how the program would be funded, this would allow operational costs to largely be covered by generic manufacturers. This is wrong and bad for patients who depend on more affordable generic medicines.

HB 1780 is redundant: Illinois already has a robust statewide drug collection infrastructure that works.

Today, there are already 549 drug disposal kiosks throughout the state of Illinois that provide easy and accessible disposal for unused medicines. Ninety-six percent of Illinois residents live within a 20-minute drive of a kiosk (89% live within a 10-minute drive). [MyOldMeds.com](https://www.myoldmeds.com), an easy-to-use tool created by the Pharmaceutical Products Stewardship Work Group provides consumers with a tool to locate kiosks and other disposal options.

HB 1780 targets small manufacturers instead of Fortune 10 companies.

Four of the ten largest companies on the Fortune 500 list directly profit from prescription drug sales, but not one of them would contribute a penny to the programs contemplated in HB 1780. Manufacturers are not the only entity in the supply chain that profit from the sale of prescription drugs, and to lay the cost of disposal squarely at their feet is inexplicable. HB 1780 would result in generic manufacturers paying the associated costs of a program incurred by ANY retail pharmacy giant—significantly larger corporations than all generic manufacturers—that desire to enter a program. The bill also fails to include large wholesalers who are responsible for the actual sale of drugs into the State of Illinois.

Drug disposal programs are important. All companies that profit from prescription drugs should participate.

HB 1780 would place a disproportionate share of the cost burden on generic drug manufacturers, an amount that bears no relation to the economic reality of the prescription drug supply chain. According to Dr. Neeraj Sood, Ph.D, Vice Dean for Research at the University of Southern California, generic manufacturers capture only 36% of revenue on generic drugs; other supply chain participants, such as pharmacies, insurers, PBMs and wholesalers capture 64%.

Prescription drug Take Back programs are important, but they should be funded by the industries that profit from the sale of the drugs in the first place, and the cost should be split in the same way that the revenue is divided.

HB 1780 threatens the only sector of the health care industry where costs go down.

The vast majority of health care costs go up, but generic drugs drive prices down by staggering amounts. When there are six generic competitors to a brand name drug, the price falls by 95% [according to the FDA](#). HB 1780 threatens the generic industry's continued ability to deliver those savings to patients.

If this proposal is passed, the savings that Illinois patients currently receive due to the use of generic drugs will be in jeopardy. AAM and its member companies are willing to participate in stewardship programs that are sustainable, broad based and address real problems. The most important component in reducing the amount of unused medications and the one most likely to achieve measurable, long-term results is educating consumers and providers about medication prescribing and adherence. Proper prescribing and adherence will reduce the number of unused pills, reduce the overall costs of health care, and mitigate the need for complex and costly takeback programs.