AAM State Government Affairs

Selections from:

The U.S. Generic & Biosimilar Medicines Savings Report

SEPTEMBER 2025

About the Association for Accessible Medicines & the Biosimilars Council

- The Association for Accessible Medicines (AAM) is the nation's trade association for manufacturers of generic and biosimilar prescription medicines. AAM's core mission is to improve the lives of patients by advancing timely access to affordable, FDA-approved generic and biosimilar medicines.
- AAM members are manufacturers of finished generic and biosimilar pharmaceutical products, manufacturers of bulk active pharmaceutical chemicals, and suppliers of other goods and services to the generic and biosimilar pharmaceutical industry.
- The Biosimilars Council, a division of AAM, works to create a positive regulatory, reimbursement, and policy environment to expand patient access to and encourage the utilization of biosimilar medicines.
- AAM and its Biosimilars Council work to expand patient access to safe, quality, and effective generic and biosimilar medicines by educating stakeholders and advancing policies that instill a healthy marketplace where manufacturers can deliver these medicines to America's patients.

This document contains select material from:
The 2025 U.S. Generic & Biosimilar Medicines Savings Report
https://accessiblemeds.org/resources/blog/2025-savings-report/
Access the full report for for additional information, methodology, and references to sources.

Letter From the President and CEO

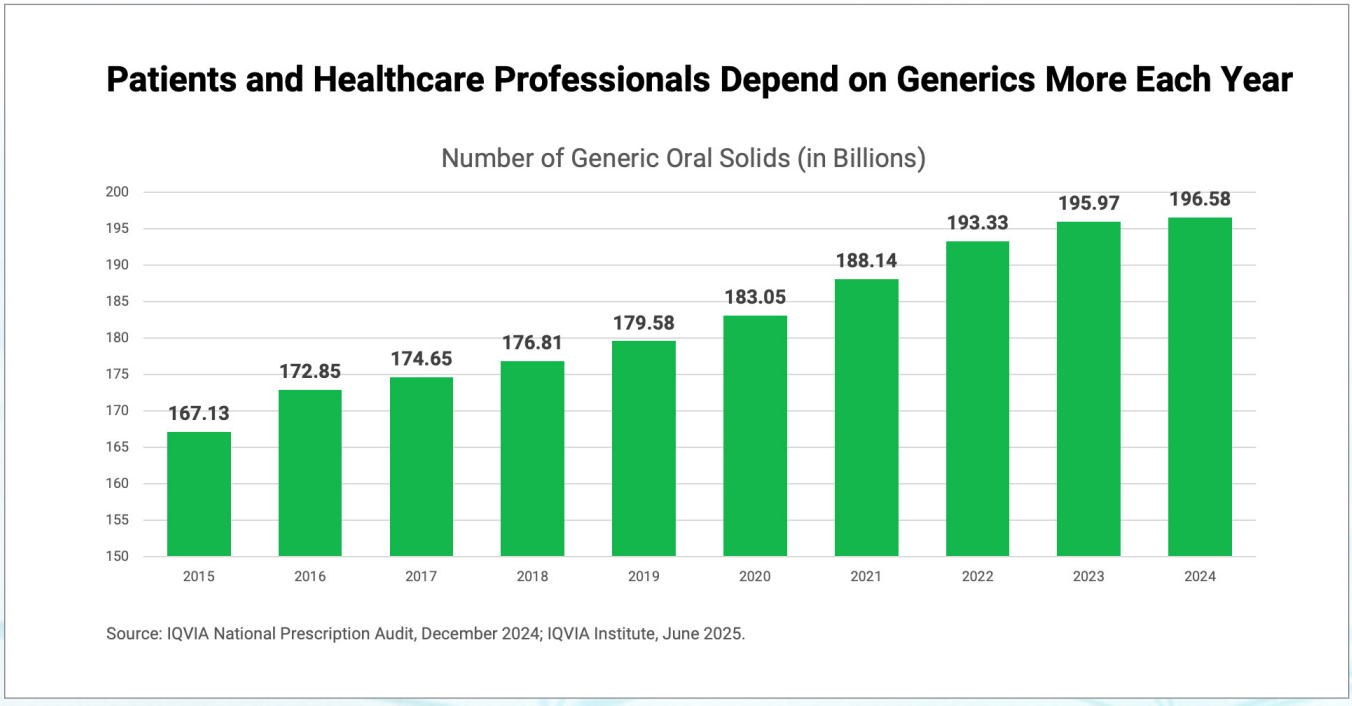
Top-line data highlights value and vulnerability across all generic markets

It is a statistic that easily rolls off the tongue: In 2024, generics encompassed approximately 90 percent of all prescriptions filled in the U.S. but can be attributed to only 12 percent of drug spending. Simply put: Generics medicines save money.

Let's take it one step further. Generics are the only sector that consistently results in **decreased** spending across the U.S. healthcare ecosystem. In fact, since 2019, the amount spent on all generic sales in the U.S. has declined by $6.4 billion, despite increased volume and new generic launches.[1]

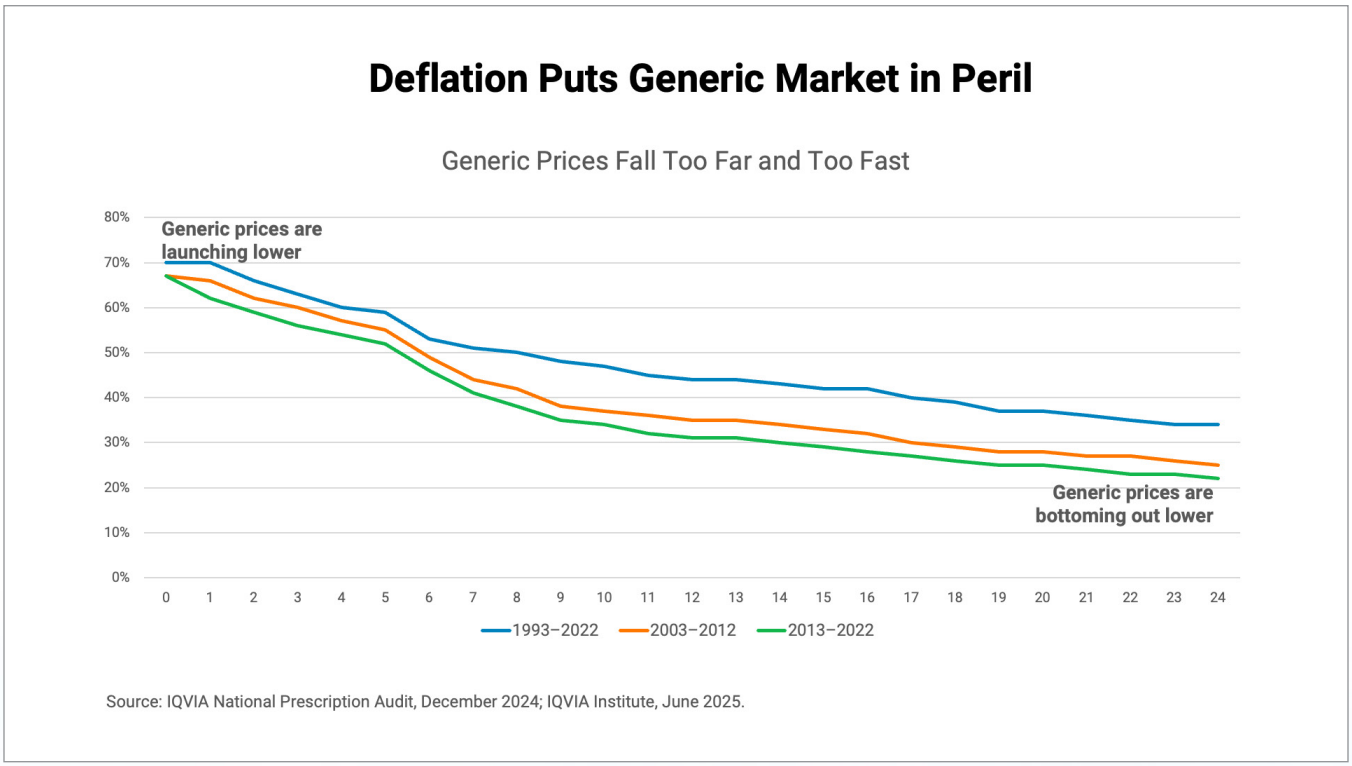
For over a decade, AAM has partnered with The IQVIA Institute to capture relevant data and help describe the value of generic and biosimilar medicines in the U.S. Despite the hype and the discussion about drug pricing, the data shows an alarming but consistent trend. Alarmingly, it has been this way for the last decade. Since 2016, generic drugs have steadily made up nine out of every 10 prescriptions filled, all the while their overall percentage of costs has declined – from 27 percent in 2016 to only 12 percent in 2024.[2]

Does this mean the number of available generic drugs has decreased? NO! Americans are consuming more and more of these lower-priced, high-value medications. As noted in the graph below, with respect to generic oral solids (i.e., pills and capsules), the overall trend is an increased number of these products being prescribed and sold. In 2015, the total number of generic oral solids was approximately 167 billion. Within a decade (in 2024), that number increased to approximately 197 billion, a 15 percent increase. Over ten years, Americans were prescribed and received nearly 2 trillion generic oral solids. Keep in mind, this figure does not include a host of other products made by generic manufacturers (e.g., injectables, creams, etc.).



The question we must ask is clear: How then are drug prices still increasing? If the generics are lowering prices, then why are they higher overall? The answer is brand products and their increased pricing. In 2018, it took eight different brand products to equal the total U.S. spending on ALL generic products.[3] And in 2023, only two brand molecules – Ozempic and Humira – had a total cost that was greater than the cost spent on over 1,000 generic drugs combined.

Unfortunately, right now little is being done to infuse sustainability into the generic marketplace. As noted in the graph below, compared to 30 years ago, generic drugs are launching at lower prices and bottoming out at lower prices. The biggest change has been increased savings through the use of generic drugs. Thirty years ago, generic prices tended to stabilize at approximately 34 percent of the brand product's list price. In the last decade, that percentage has continued to drop – to 22 percent. This type of deflation can lead to unsustainable market conditions for generic drug manufactures and dangerously impact patient care.



While the U.S. generic market is clearly in peril, solutions are not far out of reach. Policymakers must streamline FDA processes, curb patent abuse, stop PBMs and Medicare policies from denying patient access, and rollback harmful federal policies – including IRA price controls.

The time to act in the best interest of America's patients is now!

John Murphy III
President and CEO, AAM

Key Advocacy Takeaways

Brand Drugs Drive Costs. Generics Drive Savings.

Generic Medicines

90%

Rx Drugs Filled
3.9B

12%

Rx Drugs Spending
$98B

Brand Drugs

10%

Rx Drugs Filled
435M

88%

Rx Drugs Spending
$700B

Total Savings from Generics and Biosimilars

- Total generic and biosimilar savings in 2024: **$467 billion**
- Total generic and biosimilar savings for the past ten years: **$3.4 trillion**
- Generic share of total U.S. prescriptions filled: **90 percent**
- Generic share of total U.S. prescription drug spending: **12 percent**
- Generic share of total U.S. healthcare spending: **1.2 percent**
- Total generic savings in Medicare in 2024: **$142 billion ($2,643 per beneficiary)**
- Total generic savings in Medicaid in 2024: **$62.1 billion ($782 per enrollee)**

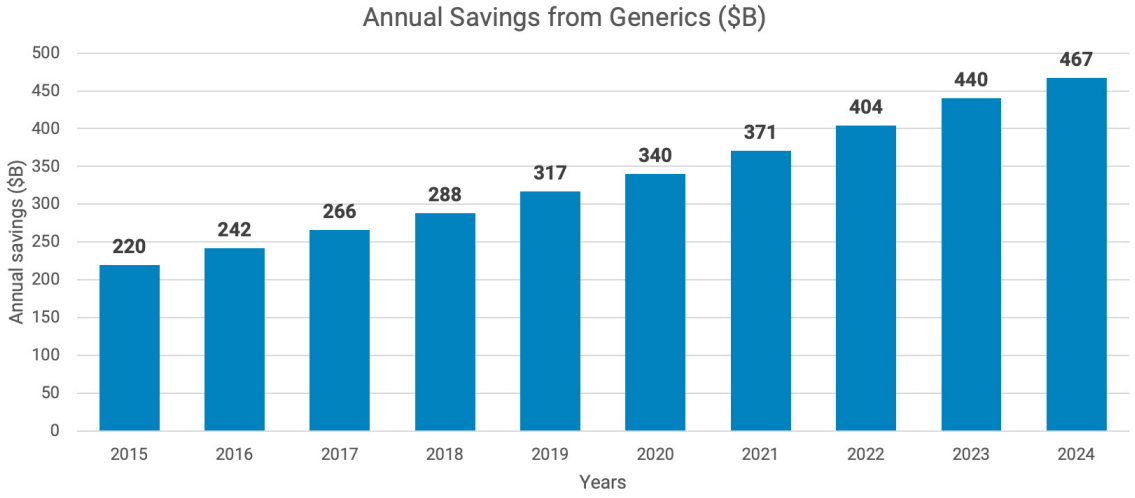
Biosimilar Savings

- Biosimilar savings in 2024: **$20.2 billion**
- Total savings since first biosimilar entry in 2015: **$56.2 billion**
- Total days of patient therapy with biosimilars since 2015: **3.3 billion**
- Incremental days of patient therapy that would not have occurred without biosimilar competition: **460 million**

Savings From Generic and Biosimilars Totaled $467 Billion in 2024

Generic and Biosimilar Savings Increased by $27 Billion from Previous Year

In 2024, 90% of Prescriptions Were Dispensed as Generics



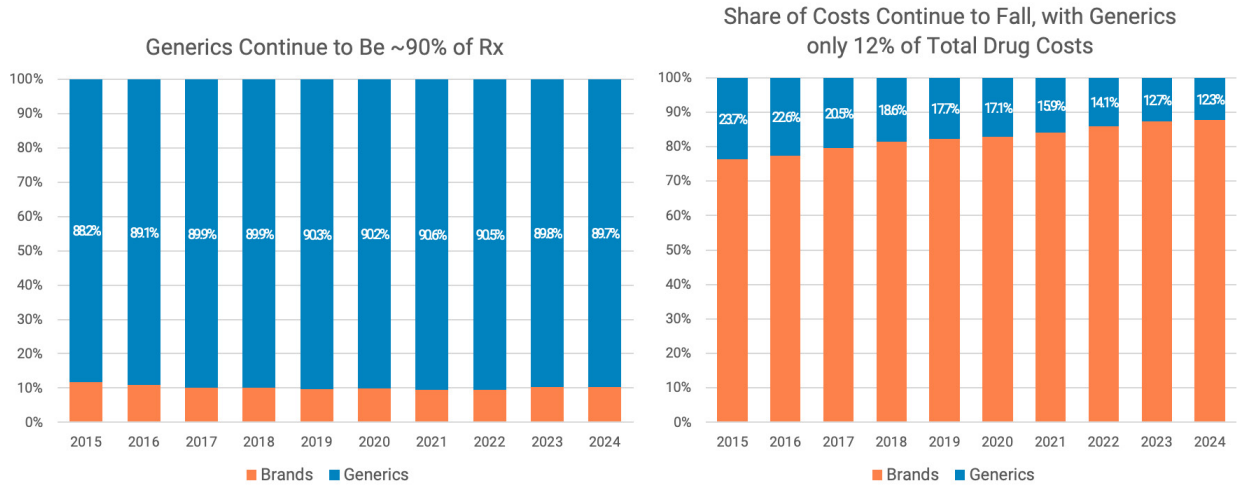
Source: IQVIA National Prescription Audit, December 2024; IQVIA Institute, June 2025.

- Generic drugs contain the same active ingredients at the same strength as their brand counterparts but are priced at a fraction of the cost.
- Biosimilars are lower-cost versions of biologic medicines. They are approved by the Food and Drug Administration (FDA) as being highly similar to, and with no clinically meaningful differences from, an existing FDA-approved biologic.
- Because of their lower costs, generics and biosimilars represent approximately nine out of 10 of all prescriptions dispensed in the U.S.
- Annual savings from generics and biosimilars exceeded $467 billion in 2024.The combined savings results in a $27 billion increase compared to 2023.
- Such savings are consistent with patient sentiment. In a recent survey, 90 percent noted that they would be happy if their doctor switched them to a less expensive medication, with 85.5 percent of patients wanting prescribers to default to the lowest-cost option when clinically appropriate.[7]

Generics and Biosimilars Positively Impact Livelihood of America's Patients

Generic Prices Continue to Fall

Generics and Biosimilars Are 90% of All Prescriptions, But Only 12% of Spending



Source: IQVIA National Prescription Audit & National Sales Perspective, December 2024; IQVIA Institute, June 2025.

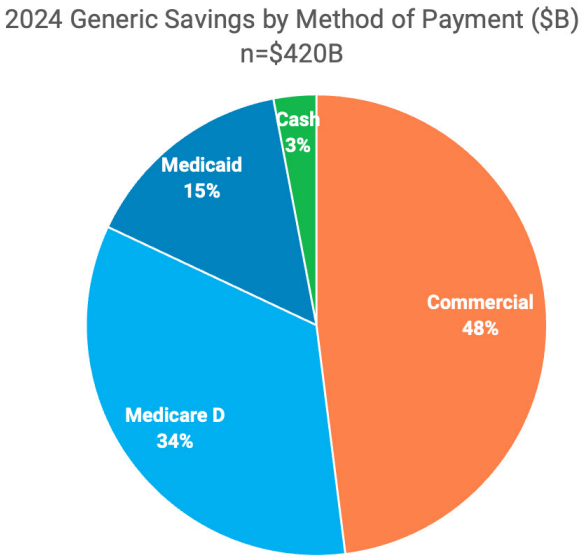
- In 2024, generics and biosimilars continued to demonstrate their value – representing 90 percent of all prescriptions filled but only 12 percent of all prescription drug spending.
- Across all therapy areas, in 2024, 90 percent of prescriptions are generics, while immunology, obesity, and diabetes have more brand prescriptions—showing opportunities for market penetration.[8]
- Generic and biosimilar medicines are the only segment of healthcare that consistently delivers lower costs. In fact, generic prices continue to experience severe deflation; the overall value of all generic sales in the U.S. has declined by $6.4 billion since 2019, despite increased volume and new generic launches.[1]
- Generic drugs save patients money. In 2024, the average out-of-pocket cost for a generic was $6.95; while the average out-of-pocket cost for a brand drug was nearly five times higher – at $28.69.[8]
- For the uninsured population, brand out-of-pocket costs have increased, while generic out-of-pocket costs have decreased. For these patients, brand prices are up by approximately 50 percent since 2019 to $130.18, while generic prices have dropped by $2.45 per prescription (approximately 6 percent) in that same timeframe.[8]

Generic and Biosimilar Savings Benefit Commercial Insurance and Medicare

Use of Generics and Biosimilars in Medicare Saved $142 Billion in 2024

A Majority of Prescriptions, and Thus Generic and Biosimilar Savings, Are Attributed to Commercially-Insured Patients

State-Level Savings Estimated Based on Retail Prescriptions

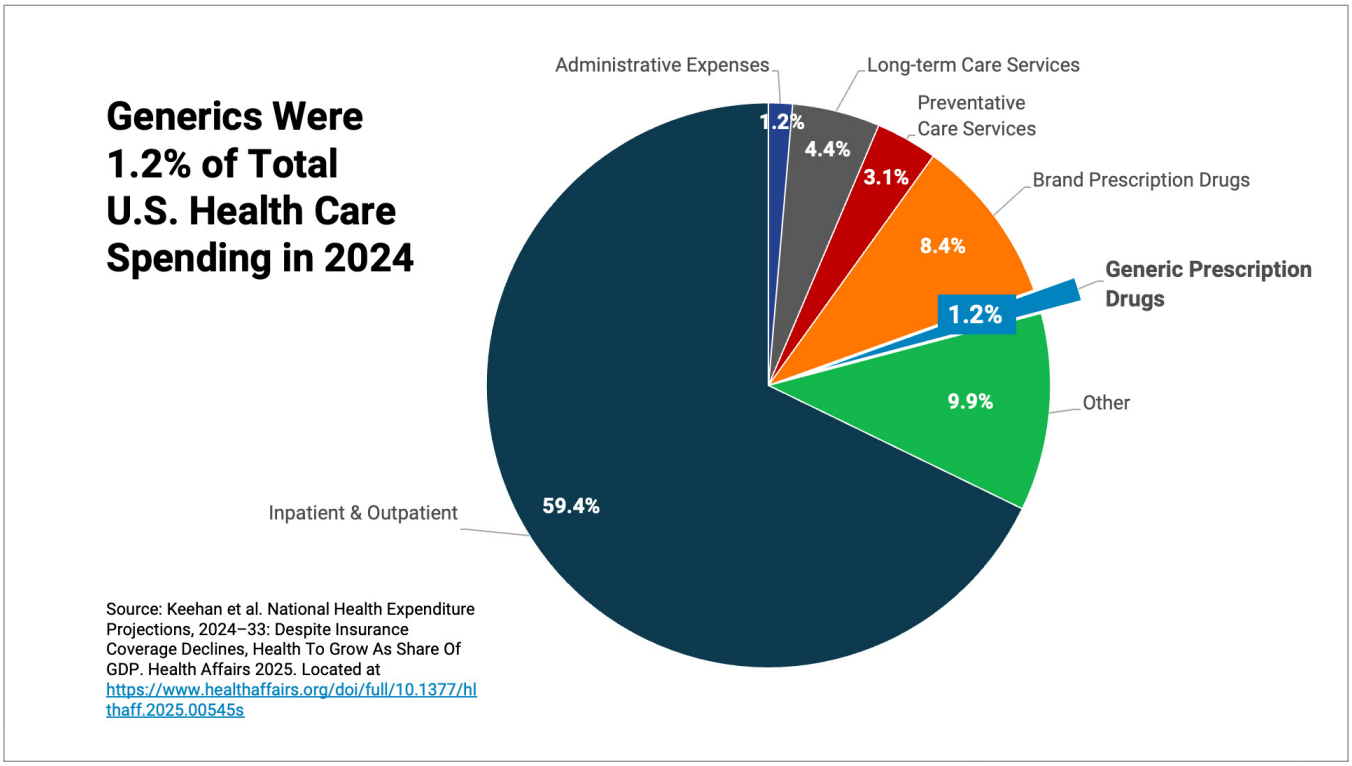


Source: IQVIA National Sales Perspective, PayerTrak.

- Generics and biosimilars provide critical savings throughout the healthcare system and are particularly valuable to Medicare and the patients they serve.
- In 2024, the use of generics saved $142 billion in Medicare and $62 billion in Medicaid.
- Medicines taken by older adults account for the majority (81 percent) of total savings:
  - Adults aged 40–64 accounted for $188 billion in savings.
  - Seniors over age 65 accounted for $190 billion in savings.
- In 2024, Medicare average prescription costs dropped by approximately 15 percent (from $6.19 to $5.28), as brand costs increased $1.51 and generic costs declined $1.31.[8]
- Further, Medicare patients can benefit from $0 copays on many generic drugs. For instance, Medicare has seen the largest growth in the share of $0 prescriptions, growing from 31 percent in 2019 to 56 percent in 2024, primarily driven by increased utilization of generic hypertension and cholesterol medicines, which frequently have no patient costs.[8]

Generics and Biosimilars Account for Less than Two Percent of Total U.S. Spending on Healthcare

Generic and Biosimilar Medicines Provide Patient Access to Quality Care

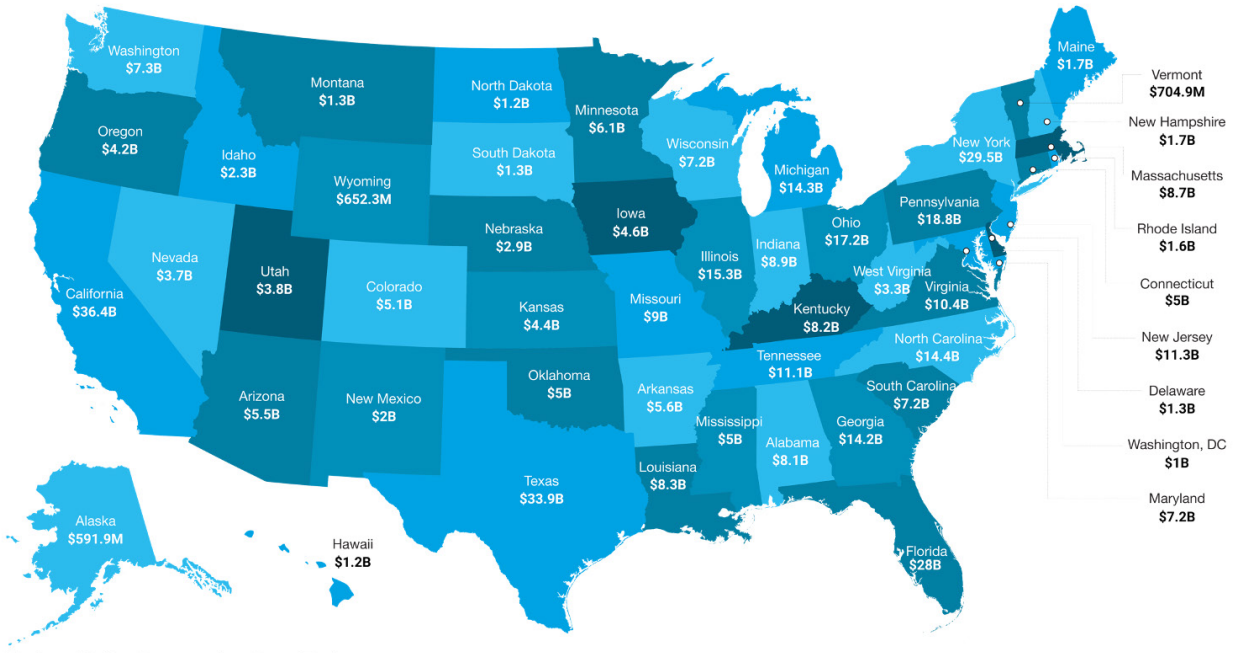


- Although patients receive a generic or biosimilar prescription approximately 90 percent of the time, these lower cost medications are less than two of every 100 dollars spent on healthcare in the U.S.
- The U.S. healthcare system has saved nearly $3.4 trillion in the last 10 years due to the availability of affordable generic and biosimilar medicines. In 2024, competition from generics and biosimilars resulted in more than $467 billion in savings to the healthcare system.

Savings by State

Across the U.S. Patients Find Relief from Prescription Drug Costs Through the Use of Generic and Biosimilar Medicines

2024 Generic and Biosimilar Savings by State

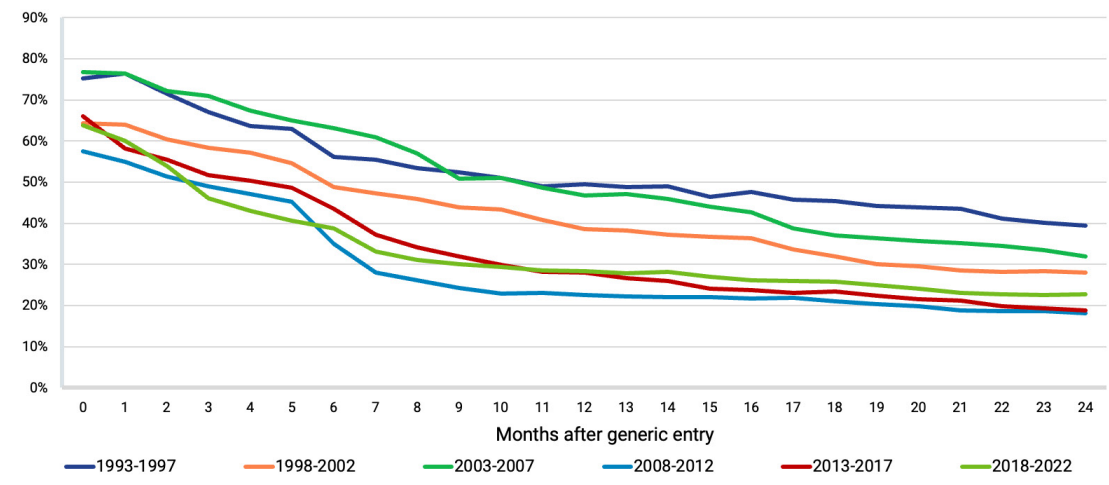


Source: IQVIA National Sales Perspective, PayerTrak.

- Encouraging use of lower-cost generic and biosimilars is a way for employers and states to ensure access and manage spending.
- On average, the use of generics and biosimilars saved more than $8 billion per state in 2024, with savings ranging from approximately $600 million (Alaska) to nearly $36 billion (California).
- States with large Medicare populations often realize significant savings through the use of generic and biosimilars. For example, in New York, the use of generics resulted in $10 billion in Medicare savings with an average of $3,239 per enrollee.
- In 2024, generics saved the state Medicaid programs an average of $1.2 billion. Highest per capita savings occurred in West Virginia, Kentucky, Idaho, Louisiana, and North Dakota.

Savings in Jeopardy: Unsustainable Deflation

Price Deflation Is More Rapid and Prices Bottom Out Lower for More Recent Patent Expiries Compared to Nearly 30 Years Ago

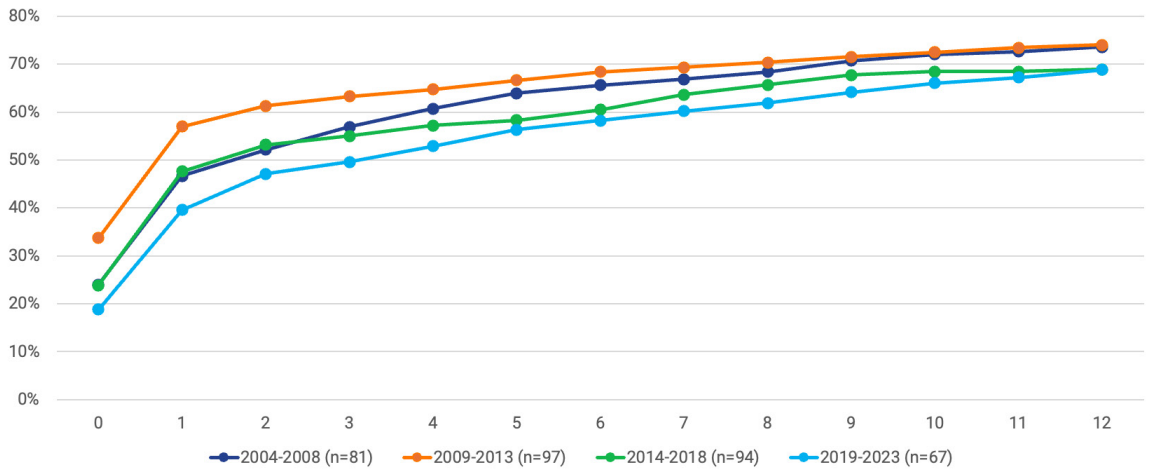


Source: IQVIA National Sales Perspective, December 2024; IQVIA Institute, June 2025.

- Within the U.S., due to its highly competitive market, generic drug prices are launching at lower prices and bottoming out at lower prices. This has led to overall generic deflation.
- As indicated in the chart above, while there is some improvement in 2018–2022 compared to 2008–2017, generic drugs continue to face rapid price deflation. Further, the overall bottoming out of the market is happening at lower percentages, as compared to 30 years ago.
- A recent analysis by RAND found that generic prices in the U.S. average 16 percent less than other countries, and between 30 to 50 percent less than nations such as the U.K., Mexico, France, and Japan.[9] This difference is the result of a hyper-competitive U.S. generic drug market in which prices can rapidly fall by 40 percent on average, and as much as 95 percent upon generic entry.[10]
- Other countries, which generally pay more for their generic drugs, do not have as many drug shortages.

New Generics Bring Lower Prices, Many Patients Lack Access

Generic Uptake is Lower for Generics Entering in the Last Five Years

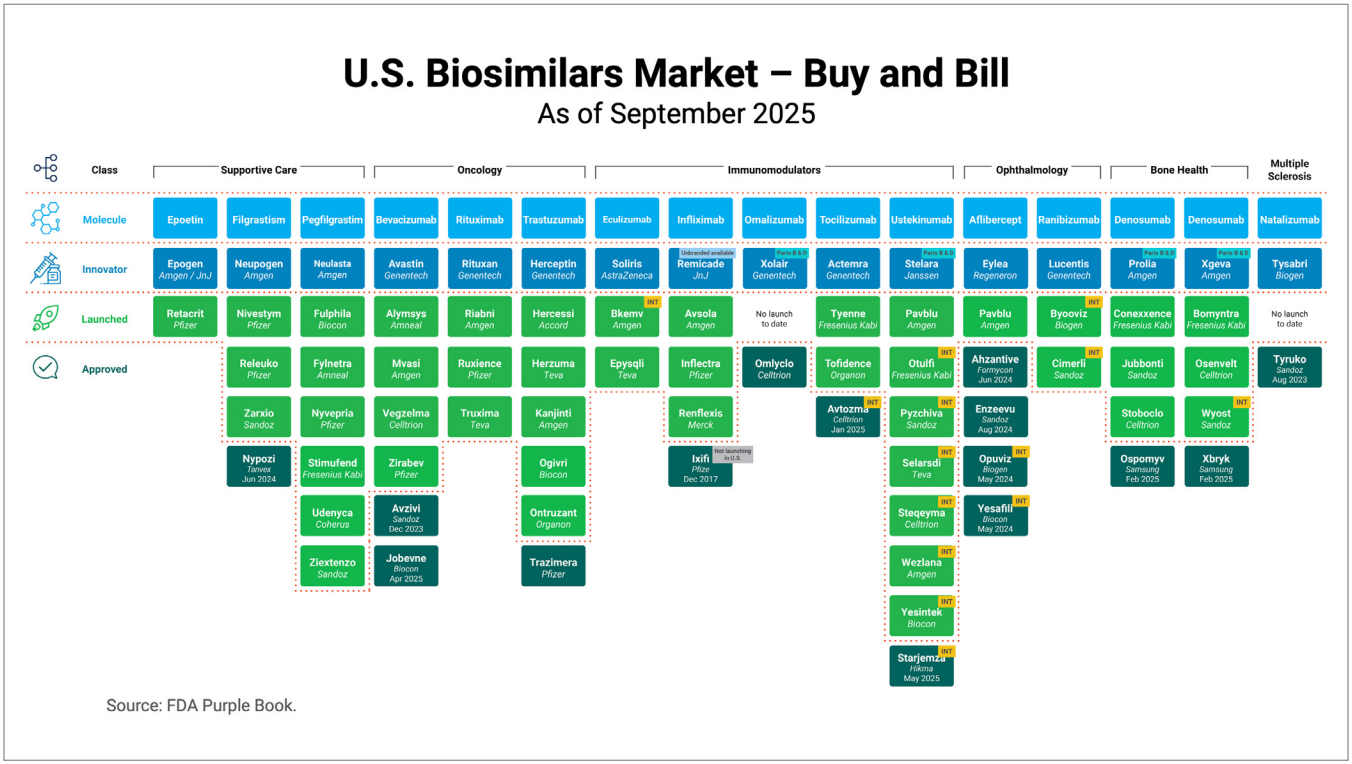


Source: IQVIA Institute for Human Data Science. April 2025. Understanding the Use of Medicines in the U.S. 2025: Evolving Standards of Care, Patient Access, and Spending. Available from iqviainstitute.org.

- Brand drug manufacturers enjoy years of regulatory exclusivity prior to a generic or biosimilar company's ability to enter the market. During this time, patients often experience repeated price increases.
- Patients are paying more than necessary for prescription medicines. Previously, most patients would benefit from the entry of new generics. However, in the past five years, generic uptake of small molecules in the first six months after patent expiration has been two to five percent lower than the prior five years and 10–15 percent lower than the 2009–2013 timeframe.[8]
- Further, recent analysis has highlighted that over 25 percent of new generic claims are rejected by payers two years after generic entry, highlighting slower uptake than in previous years.[8]

The U.S. Biosimilars Market

Ten Years Later, the Biosimilars Market Continues to Grow



Source: FDA Purple Book.

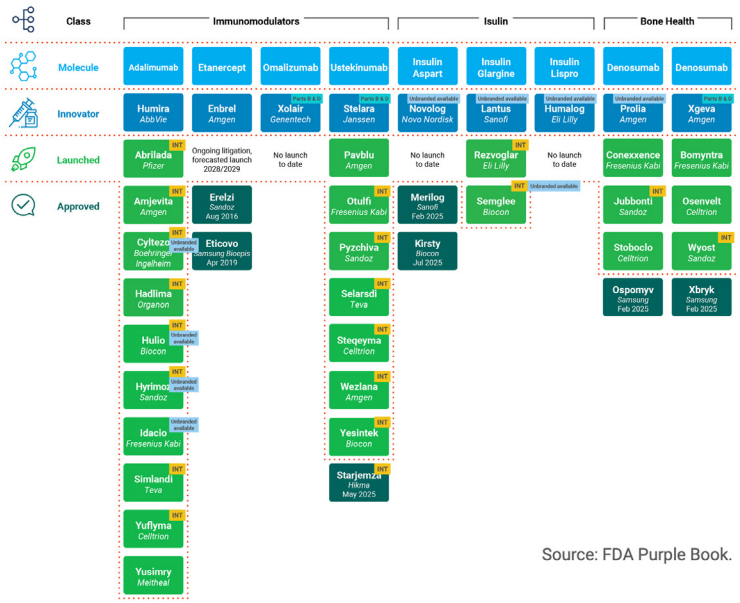
- As of July 2025, over a decade since the first FDA approval of a biosimilar, the FDA has approved 84 biosimilars across 21 molecules.
- Sixty-seven biosimilars are on the market with an average sales price of 39 percent lower than the reference product at three years post-launch.[22]
- Of the 118 biologic patent expiries over the next 10 years, only 10 percent currently have biosimilars in development, leaving 90 percent with no pipeline. This is a direct result of the cost of development and the uncertainty regarding the future of the biosimilar market in the U.S.[25]
- ***Note:*** Compared to last year's edition, the U.S. biosimilars market overview has been updated in three major ways:
  - we have indicated when an unbranded biosimilar is available and included those products in the overall count;
  - we have indicated when a biosimilar is reimbursed under both the buy-and-bill and the prescription benefit; and
  - we have changed the therapy classes (e.g., some classes have been reorganized and consolidated, while other classes – such as bone health and ophthalmology – have been added).

The U.S. Biosimilars Market

The Biosimilars Market Has Continued to Expand in the Prescription Benefit Space

U.S. Biosimilars Market – Prescription Benefit

As of September 2025



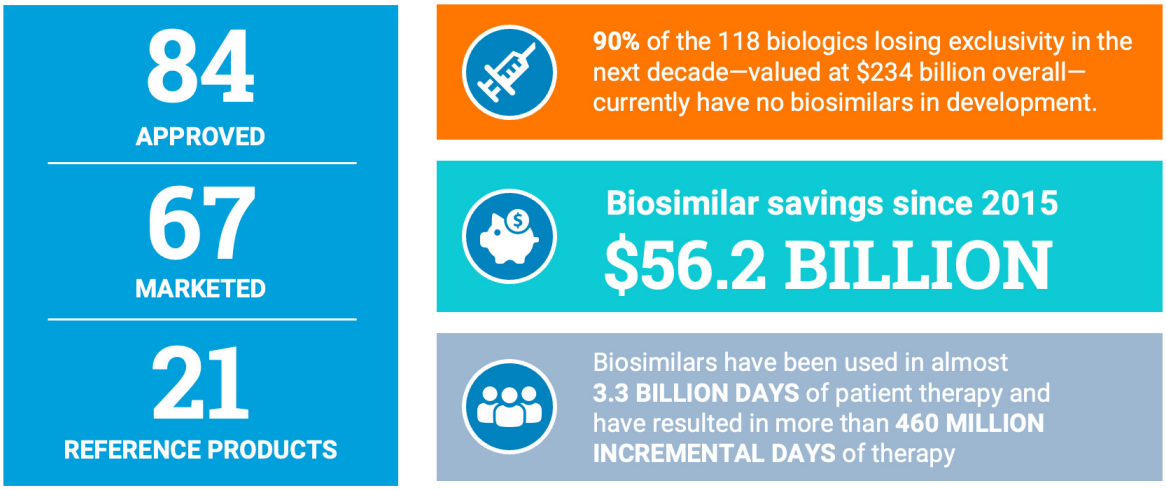
Source: FDA Purple Book.

- To date, the bulk of biosimilar competition involves products that are directly purchased and administered by healthcare providers (i.e., medical benefit or buy-and-bill). New biosimilar launches in insulin and adalimumab represent the first entry of pharmacy-dispensed biosimilars.
- Many pharmacy-dispensed biosimilars also have formulations also administered to patients by a healthcare provider (i.e., medical benefit products).
- The insulin market continues to present challenges for biosimilars.[26] While policymakers continue to raise concerns about the insulin market, patients are paying less for those prescriptions. A recent IQVIA analysis suggests that the out-of-pocket costs for these drugs is decreasing across all pay types, reaching $18.64 for all payers in 2023, compared to $25.79 in 2019.[27]

Biosimilars are Delivering Savings and Expanding Patient Access

Yet, a Biosimilar Void Remains, Hindering Patient Access

Biosimilars Market Overview

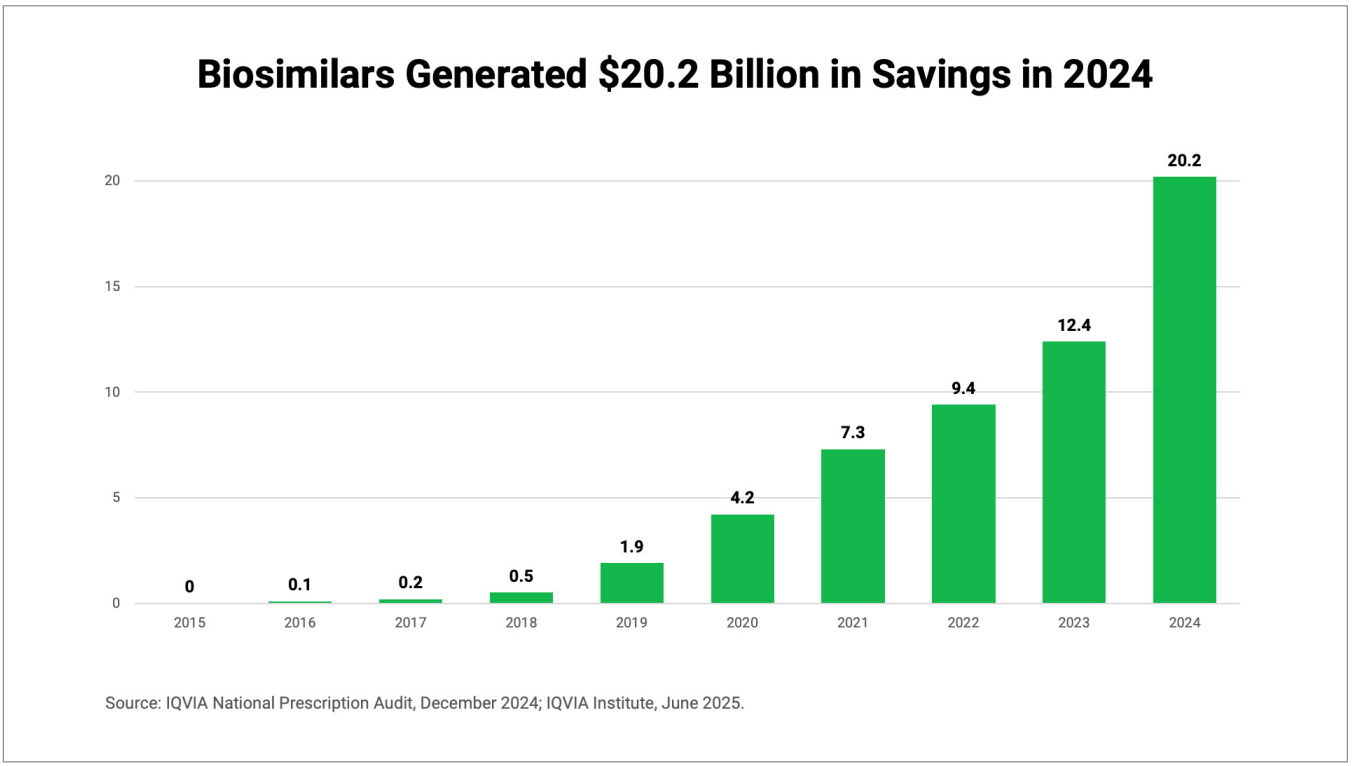


As of July 11, 2025
Source: US FDA and AAM Commercial Assessment. Includes 9 unbranded products.
Savings and patient day data developed by the Biosimilars Council with IQVIA.

- The biosimilars market is rapidly growing. As of July 2025, the FDA has approved 84 biosimilars for 21 reference products (including nine unbranded products). And 67 biosimilar medicines are now available to patients. Of the approved products, 25 are currently designated as interchangeable.
- Biosimilars have been used in 3.3 billion days of patient therapy, with no clinically meaningful differences in safety or efficacy.
- Once the price of a biologic drug decreases due to competition between the reference product and biosimilar, more patients can afford the drug. As such, patients have received 460 million more days of therapy than if no biosimilar was available. Put simply, biosimilars are making it possible for more patients to receive care and thrive.
- More remains to be done: biosimilar adoption has been slower than anticipated due to brand biologic rebate barriers—90 percent of brand biologics with expiries in the next 10 years do not have a biosimilar in development.
- Policymakers must take action to reduce the cost of biosimilar development and ensure more rapid adoption of these lower-priced medicines.

Biosimilars Have Generated $56.2 Billion in Savings Since 2015

Savings Reflect Provider Confidence and Robust Price Competition

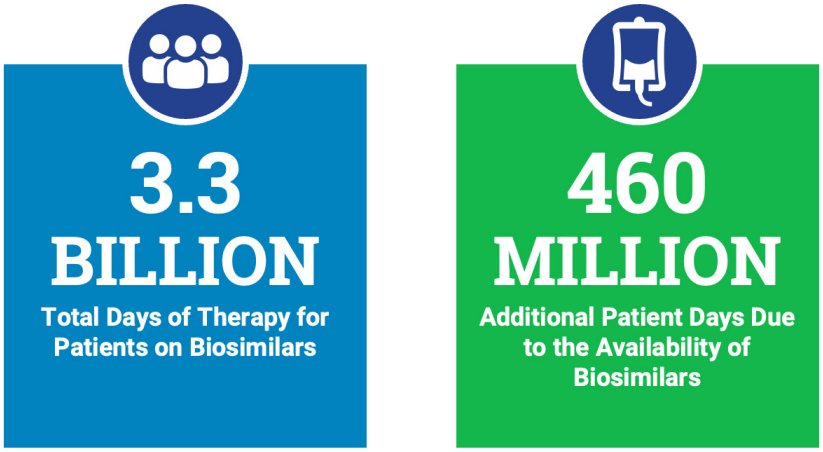


- A decade after the first biosimilar launch in 2015, patients and the healthcare system have saved over $56 billion.
- Savings increase as biosimilar adoption grows. Savings in 2024 nearly double that for 2023—from $12.4 billion to $20.2 billion. Further, approximately 60 percent of total savings from biosimilar entrants occurred in the past two years.
- Although biosimilar adoption has been higher among medical benefit biosimilars (especially bevacizumab, trastuzumab, and rituximab), in many instances it remains too low.
- Unfortunately, biosimilar adoption continues to trail expectations because of misaligned incentives and PBM practices that slow adoption.

Biosimilars are Delivering Safe Therapy

Biosimilar Introduction Often Results in Greater Patient Access

Biosimilars Are Now a Core Element of Patient Care



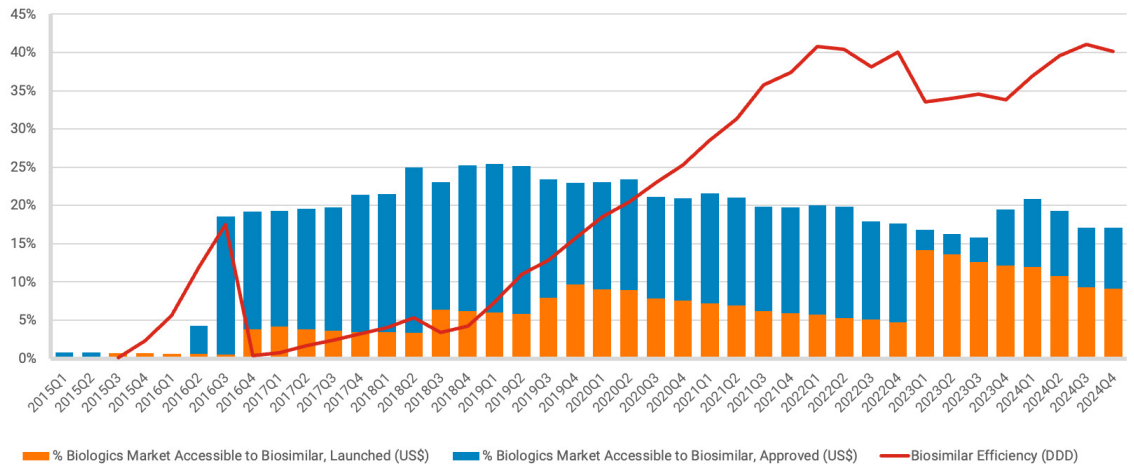
Source: IQVIA analysis of defined daily dose information and product volume.

- The increasing use and proven effectiveness of biosimilars should put to rest any questions about their safety and efficacy.
- Since the first biosimilar launched 10 years ago, biosimilars have been used in almost 3.3 billion days of patient therapy, with no meaningful differences in safety or clinical outcomes.
- Moreover, the overall use of molecules with biosimilar competition has increased. This means that more patients receive treatment when a biosimilar is available. Biosimilar competition has now supported more than 460 million incremental days of therapy – care that patients would not have otherwise received.
- For instance, over 25 percent more doses of pegfilgrastim, used to generate new white blood cells for patients fighting cancer, have been dispensed since its biosimilar entered the market.
- In fact, biosimilar competition has now supported more than 495 million incremental days of therapy—care that patients would not have received otherwise.

Although Improving, Biosimilar Adoption Remains Low

Although Improving, Biosimilar Market Share Remains Low

Biosimilar Market Share Is on Average 40%, Up From 20% Last Year



Source: IQVIA National Sales Perspective, December 2024; IQVIA Institute, June 2025.

- The biosimilar efficiency rate, or the rate at which biosimilars are dispensed when available, is growing but remains too low. While biosimilars have gained a market share of over 80 percent in two therapeutic areas, the average market share for all biosimilars is approximately 40 percent.
- However, there is wide variation in biosimilar uptake, depending on the molecule. To date, three years after biosimilar entry, biosimilars have 24 percent of the volume in days of therapy for molecules, ranging from 8 percent for insulin lispro to 82 percent for bevacizumab.[8]
- Biosimilars for adalimumab (Humira) have achieved 21 percent of volume as of the end of 2024, up from 2 percent at the end of 2023, as insurer and pharmacy contracts with biosimilar makers have encouraged greater uptake.[8]
- The biosimilars for ranibizumab (Lucentis) accelerated after a slow start to 59 percent by 22 months but have slowed to 46 percent as of the end of 2024 as overall molecule usage has declined.[8]
- Some of the biosimilars with lower uptake in their first three years have seen increased adoption later, while some have had rapid early adoption. The range of uptake patterns reinforces the degree of uncertainty for biosimilar makers, purchasers and policymakers in this area.[8]
- A sustainable biosimilars market is one that supports rapid adoption by multiple competitors. Even where biosimilars have been adopted, the majority of the market share is concentrated among one or two competitors.
- The market is not yet supporting multiple biosimilars within a molecule, leading to a winner-takes-all dynamic that could hamper future development.

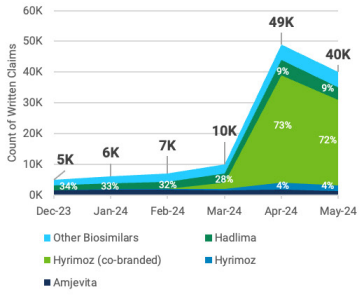
PBM Strategy, "Product Hopping," Suppressing Uptake of Lower-Cost Biosimilars

While the Launch of Co-branded Treatments Grew Biosimilar Use in 2024–Q2, PBMs Continue to Play a Large Role in Patient Access to Biosimilars

Most Biosimilar Growth Can Be Attributed to Co-Branded Hyrimoz, and Volume Still Trails AbbVie's Imm. Portfolio

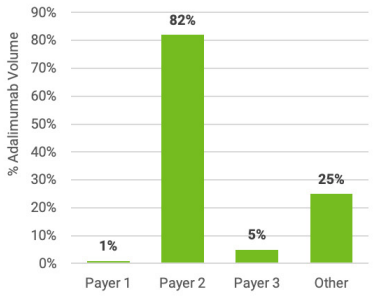
Co-Branded Hyrimoz is Driving Increased Biosimilar Utilization

Adalimumab Biosims Written Scripts by Brand *(LAAD Rx; Filled Claims; All Channels; Feb 2023 – May 2024)*



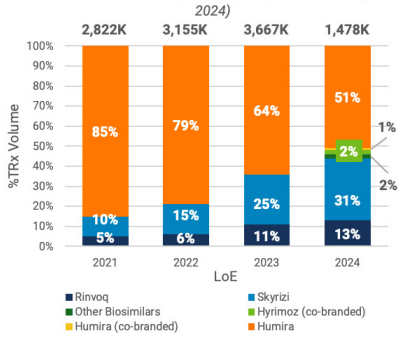
Large PBMs Continue To Favor Humira or Co-branded Options

% of Ada. TRx from Biosimilars by Payer – May 2024 *(LAAD Rx; Filled Claims; All Channels; May 2024)*



Product Hopping Outpaces Biosimilars

Adalimumab, Skyrizi, and Rinvoq TRx by Brand *(LAAD Rx+Mx; Filled Claims; All Channels; Jan 2021 – May 2024)*



Source: IQVIA LAAD 3.0, US Market Access Strategy Consulting analysis.

- Despite price discounts of greater than 80 percent, initial adoption of biosimilars to Humira has been incredibly slow.
- In their first year on the market, biosimilars to Humira achieved less than two percent of total market share, primarily through adoption by non-rebate dependent, smaller PBMs.
- Adoption increased in the spring of 2024 when a major vertically integrated PBM adopted and began driving use of the biosimilar.
- Nonetheless, large PBMs continue to prefer the high-priced brands over biosimilars.
- As noted in the third chart above, major PBMs have partnered with a brand company to shift more patients to newer, higher-priced brands than to biosimilars.
- As a result, the brand manufacturer's immunology portfolio, consisting of three products, currently outnumbers all adalimumab biosimilar dispensing by a factor of 24 to one.

Conclusion

Generic medicines continue to provide value to patients, taxpayers, employers, and the U.S. healthcare system.

At the same time, biosimilars are increasingly delivering on their promise of lower prices and additional therapy days for patients.

Generic and biosimilar medicines serve every day American patients, ensuring each one receives the medicines they need, when they need it. Moreover, they are expanding patient access, making life-saving medicines more affordable for patients, enabling patients to better adhere to their therapies, and ultimately saving lives.

Unfortunately, the continued savings achieved through the use of lower-cost generics and biosimilars is not guaranteed – and the threats to these fragile industries should not be overlooked. The long-term outlook for generic and biosimilar competition hinges on addressing the barriers to development and adoption and, ultimately, the sustainability of this vital industry. Without action to strengthen the generic and biosimilars markets, many of these lower-cost medicines may disappear, and the livelihood of patients across the U.S. will suffer.

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