



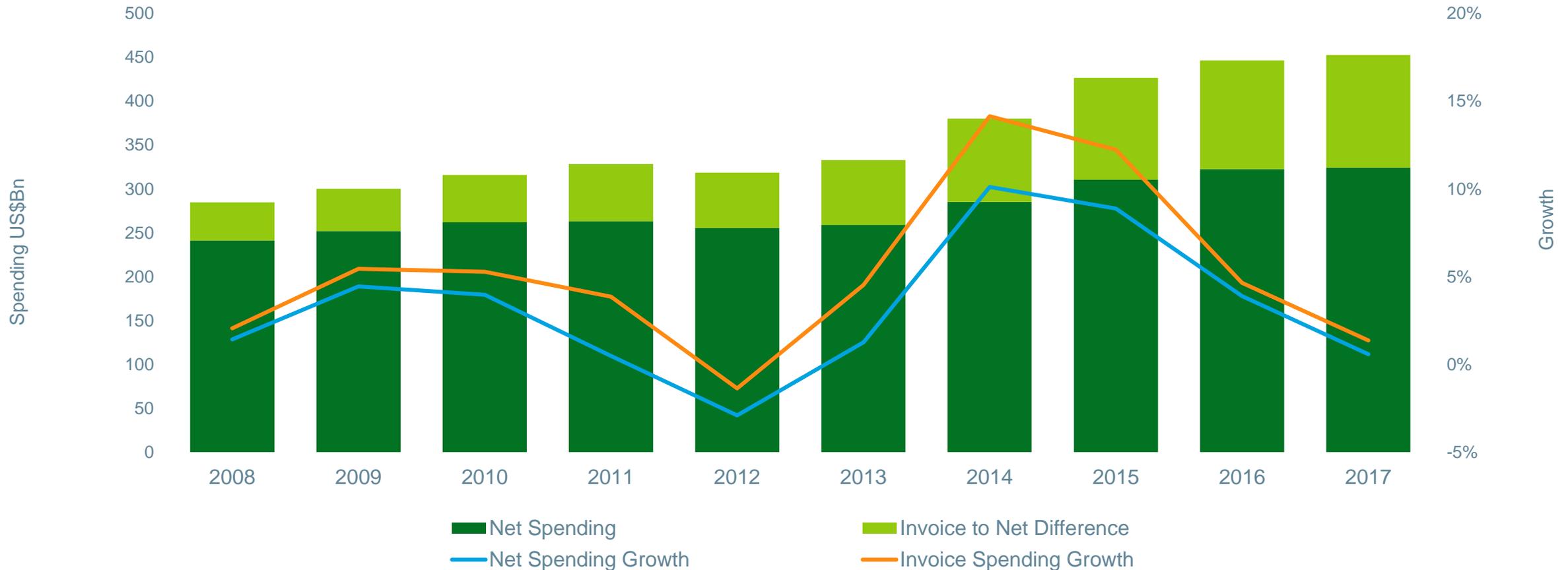
# Prescription Drug Costs

*Princeton Conference  
May 23, 2018*

Murray Aitken, Executive Director

# Medicine Growth in the United States Slowed to 0.6% in 2017 on a Net Manufacturer Sales Basis

*Total Spending on Medicines and Growth US\$Bn*

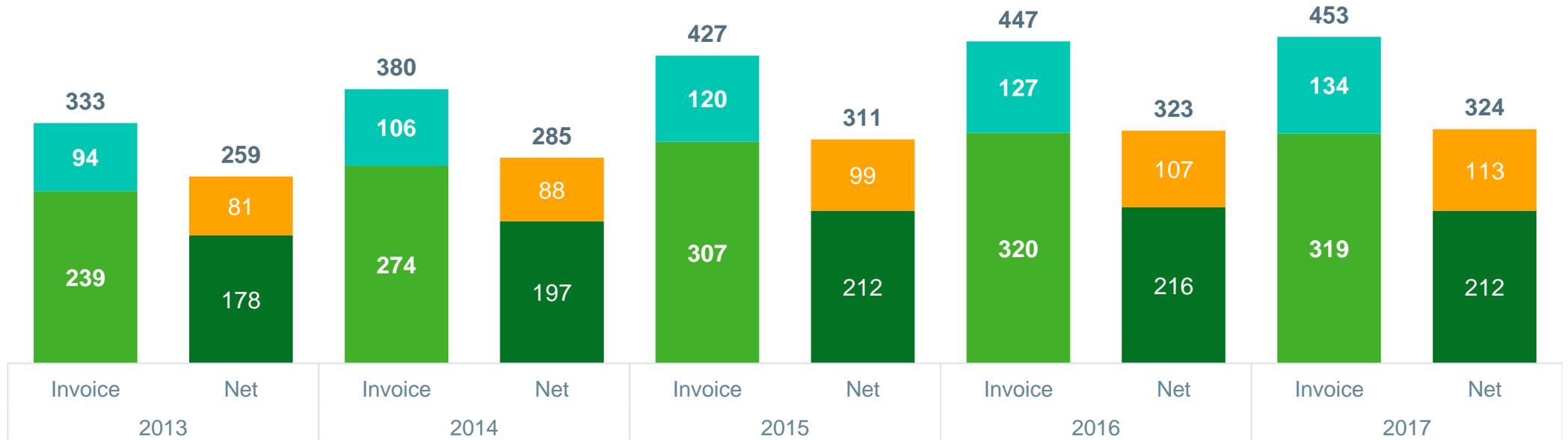


Source: IQVIA, National Sales Perspectives, IQVIA Institute, Dec 2017

# Net Medicine Spending Declined by 2.1% in Retail, While Non-Retail Grew by 5.9% and Reached One-Third of Total Net Spending

Medicine Invoice and Net Spending US\$Bn

■ Retail Invoice ■ Retail Net ■ Non-Retail Invoice ■ Non-Retail Net ■ Total



% Growth

	2013 Invoice	2013 Net	2014 Invoice	2014 Net	2015 Invoice	2015 Net	2016 Invoice	2016 Net	2017 Invoice	2017 Net
<b>Total</b>	4.5%	1.3%	14.2%	10.1%	12.2%	8.9%	4.6%	3.9%	1.4%	0.6%
<b>Non-Retail</b>	4.3%	4.1%	12.7%	8.3%	12.3%	12.2%	6.1%	7.7%	5.6%	5.9%
<b>Retail</b>	4.6%	0.0%	14.7%	11.0%	12.2%	7.4%	4.1%	2.1%	-0.3%	-2.1%

Source: IQVIA, National Sales Perspectives; IQVIA Institute; US Census Bureau; US Bureau of Economic Analysis (BEA), Dec 2017

# Real Net Per Capita Spending Declined by 2.2% in 2017 with Spending on Traditional Medicines Declining by 7.3%

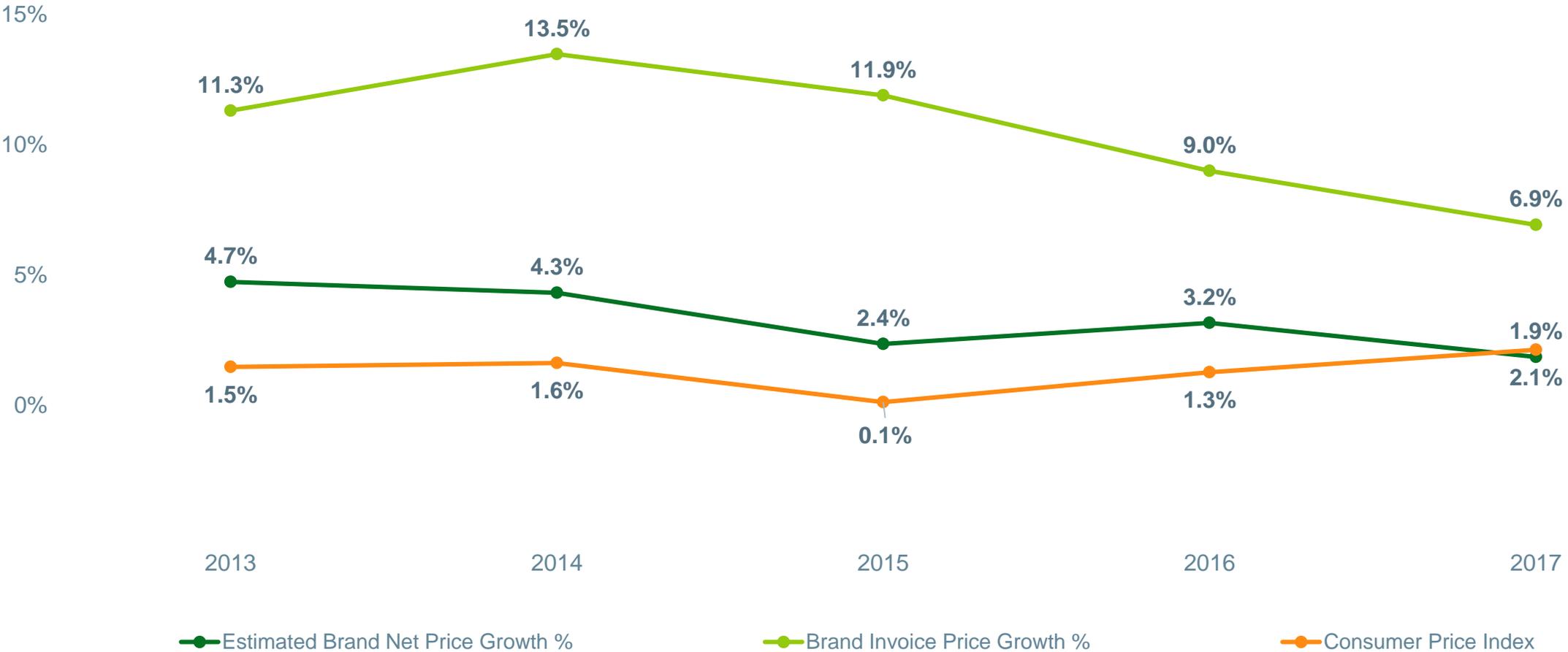
Real Net Per Capita Medicine Spending and Growth by Product Type US\$



Source: IQVIA, National Sales Perspectives, IQVIA Institute; US Census Bureau; US Bureau of Economic Analysis (BEA), Dec 2017

# Protected Brand Net Prices Increased by 1.9% on Average in 2017, Continuing Below Invoice Price Growth and Now Lower Than Inflation

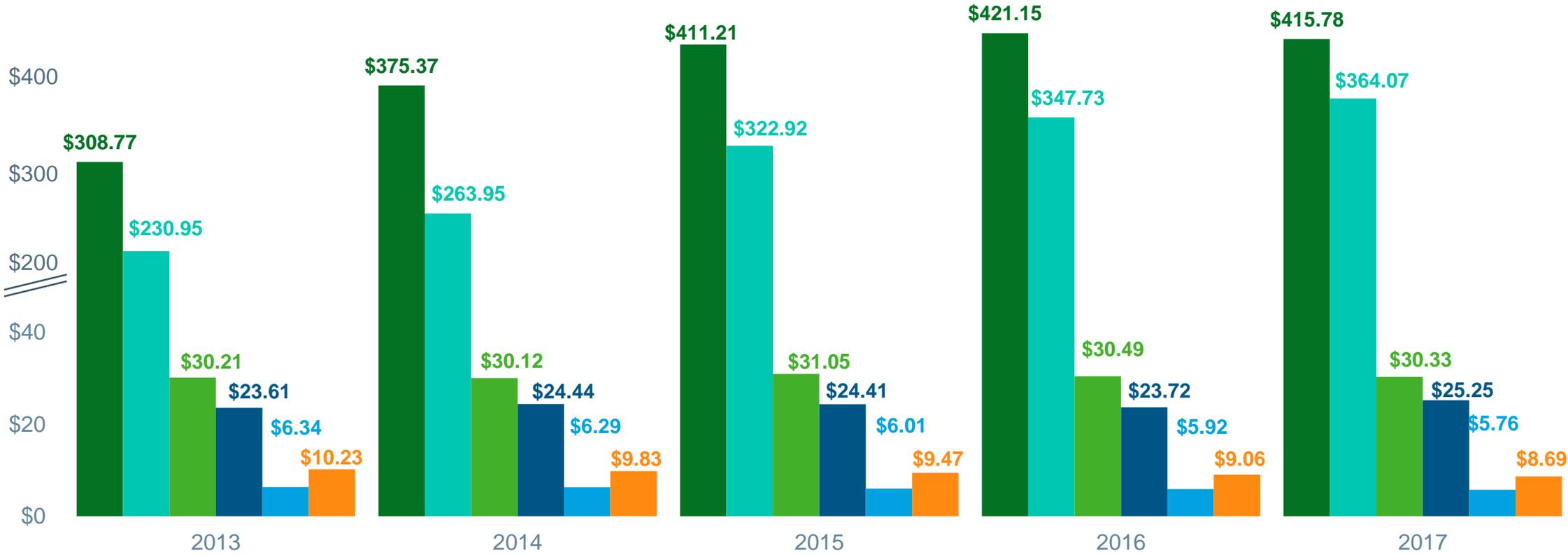
Protected Brand Invoice and Net Price Growth %



Source: IQVIA National Sales Perspectives, IQVIA Institute, Dec 2017

# Patient Out-of-Pocket Costs for Brands and Generics in Total have Decreased by \$1.54 since 2013

*Patient Cost Exposure and Average Costs, US\$*

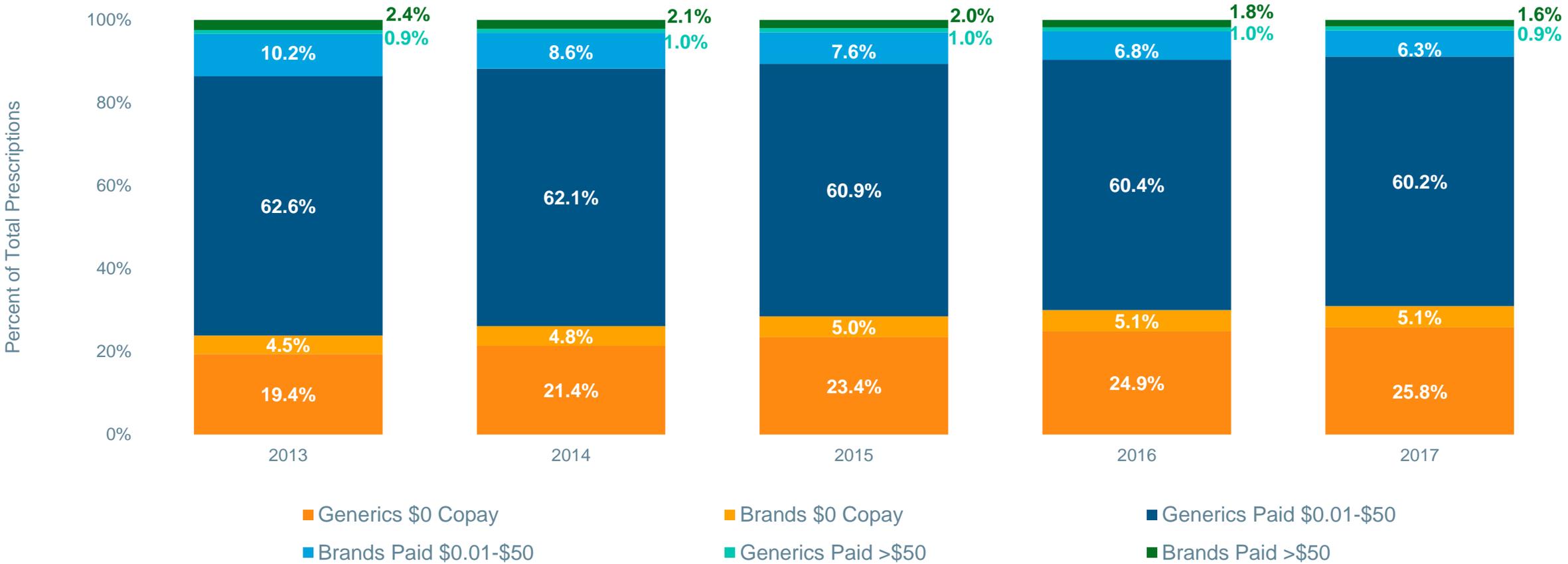


■ Brand WAC Price ■ Brand Pharmacy Price ■ Brand Final Out-of-Pocket Costs ■ Generic Pharmacy Price ■ Generic Final Out-of-Pocket Costs ■ All Products Final Out-of-Pocket Costs

Source: IQVIA Formulary Impact Analyzer (FIA), IQVIA Institute, Dec 2017

# Almost 31% of Prescriptions were Dispensed at Zero Patient Out-of-Pocket Cost, While 2.5% Cost More Than \$50

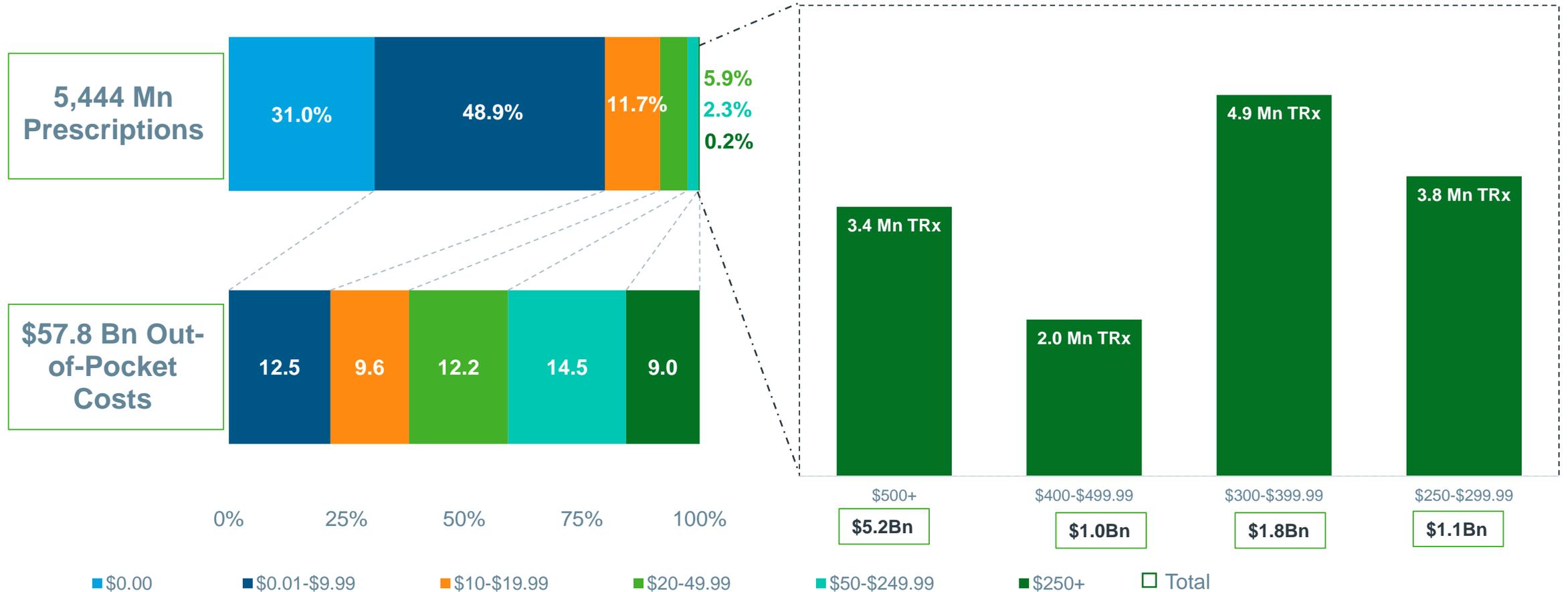
*Patient Final Out-of-Pocket Costs by Share of Retail Prescriptions*



Source: IQVIA Formulary Impact Analyzer (FIA), IQVIA Institute, Dec 2017

# Patients Paid \$500 or More Out-of-Pocket when Filling 3.4 Million Prescriptions in 2017, Amounting to \$5.2 Billion in Total

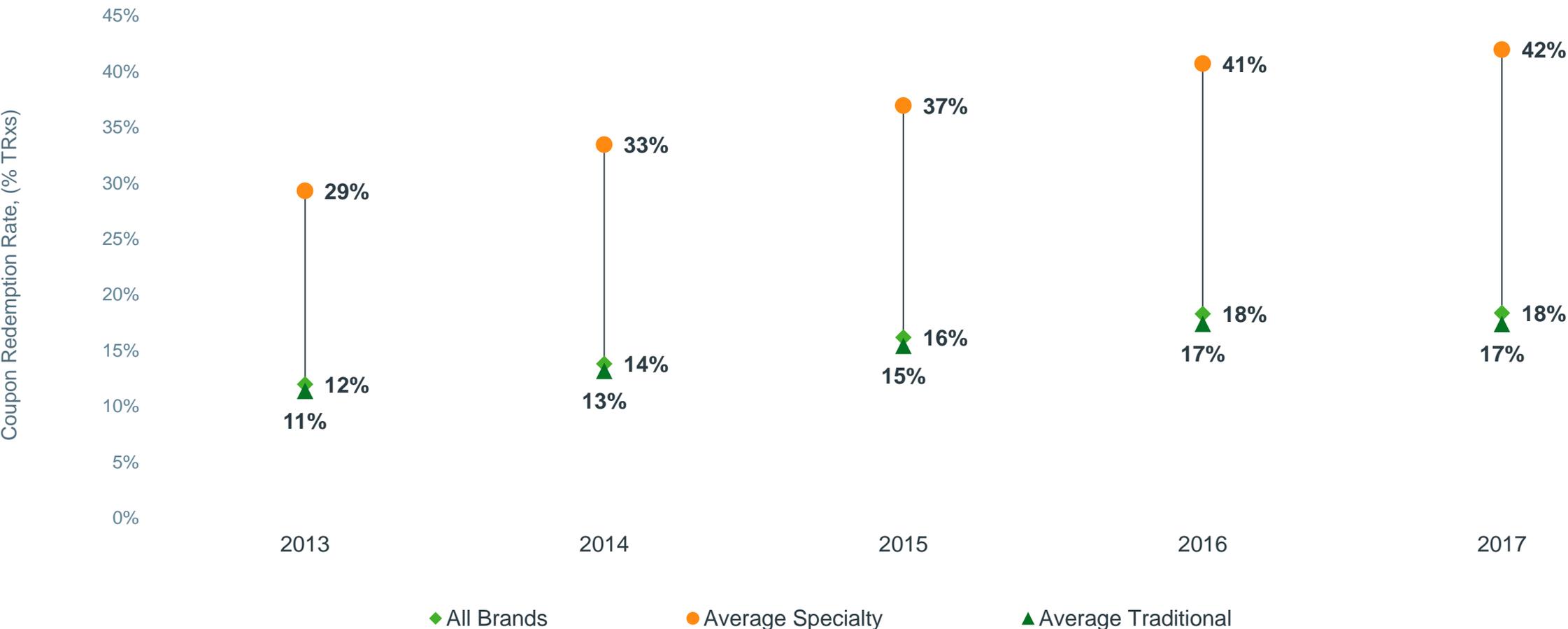
*Dispensed Prescriptions and Patient Final Out-of-Pocket Costs by Amount of Cost, 2017*



Source: IQVIA Formulary Impact Analyzer (FIA), National Prescription Audit, IQVIA Institute, Dec 2017

# Coupon Usage has Reached 18% of all Branded Prescriptions Filled under Commercial Plans and 42% of Specialty Prescriptions

Coupon Redemption Rate in Commercial Plans for Branded Products by Product Type



Source: IQVIA Formulary Impact Analyzer (FIA), Jan 2018



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