



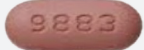









Drug makers need to explain prices

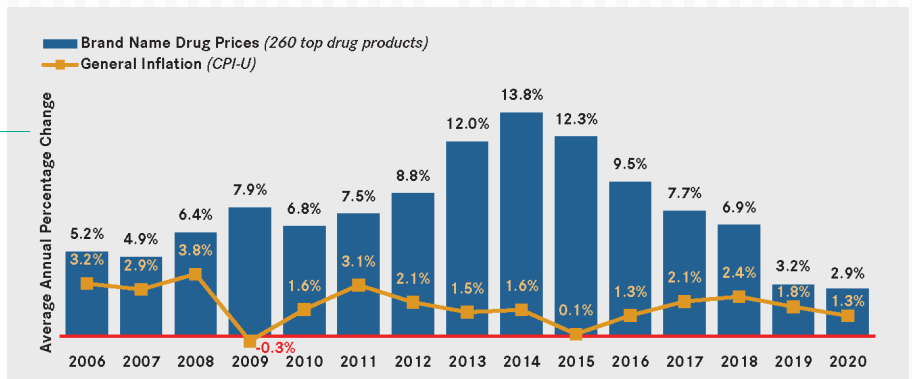
8 in 10 Americans believe that prescription drug prices are unreasonable, those polled support actions to lower drug costs including allowing Medicare to negotiate with drug manufacturers, enforcing price caps on high-priced medicines, and allowing imports of prescription drugs from Canada. Over two-thirds supported the creation of an independent group to oversee prices. Nearly 9 in 10 support a requirement that drug manufacturers disclose how drug prices are set.¹

Skyrocketing price increases

<p>Allergic Reaction Medication</p>  <p>EpiPen (Mylan) rose to \$605 in 2020 from \$57 in 2007</p>	<p>Psoriasis Medication</p>  <p>Otezla 30 mg tablet rose to \$2,996 in 2023, a 24.9% increase from 2019</p>	<p>Gastrointestinal Disorders</p>  <p>Trulance 3 mg rose to \$490 in 2023, a 23.4% increase from 2019</p>	<p>Narcotic overdose treatment Naloxone increased in price more than 30% since 2017.</p> 	<p>HIV</p>  <p>A Biktarvy tablet costs \$3,471 in 2023, a price increase of 10.4% in the past 2 years</p>
<p>Cancer treatment drug</p>  <p>Lynparze 150 mg tablet rose to \$17,460 in 2021 from \$13,886 in 2015</p>	<p>Insulin product</p> <p>Soliqua 100/33 insulin pen jumped to \$15,869 a year in 2015 from \$2,487 per-year, a \$13,373 increase</p> 	<p>Ocular Irritation</p>  <p>Xiidra eye drops rose to \$614 per carton in 2023, up 14.5% since 2019</p>	<p>Asthma</p> <p>Advair HFA inhaler rose to \$554 in 2023, an increase of 407% since 2013</p> 	<p>High Blood Pressure & Heart Failure</p>  <p>Lisinopril 20 mg tablet rose to \$129 in 2023 from \$20 per tablet in 2019, a 539% increase</p>
<p>Acne Cream</p>  <p>Azelex cream 50 gm costs \$727 in 2023, up 11.4% since 2020</p>	<p>Seizures</p>  <p>Aprium 800 mg tablet costs \$26,000 per year, a price increase of 18% since the drug was introduced in 2015</p>	<p>A new report by HHS found that 1,216 prescription drugs had price increases above the rate of inflation of 8.5% between July 2021 and July 2022, with an average hike of 31.6%. In 2022, several drugs increased their list prices by more than \$20,000 or by more than 500 percent.</p>		

Prescription Drug Price Inflation Outpaces Consumer Price Inflation

Consumers deserve better controls over drug price spiking



EARLY WARNING

Require drug manufacturers to **provide an early warning of price increases on prescription drugs**. Doing so would allow health plans, employers, and the state to factor in and prepare for those increases.

RATE APPROVAL & AFFORDABILITY REVIEW

Health plans **must file and seek approval for their premium rates** with state and federal regulatory entities each year; why not drug manufacturers? The creation of a state affordability review board would allow states to review and set rates for certain high-cost prescription drugs.

INFLATIONARY CAPS ON DRUG PRICES

Limit specific drug prices to no greater than inflationary increases.

Time for Prescription Price Transparency



Exploding Prescription Drug Costs



The U.S. spends more on prescription drug costs per person than any other developed country. U.S. consumers also incur higher annual drug price increases.









The costs of prescription drugs continue to rise at an alarming rate, far outpacing general inflation. These high prices are taking a toll on families and employers. While prescription drugs play a significant role in improving patient's health, soaring drug prices have created an access and affordability crisis. Skyrocketing drug prices are leaving many treatment options out of reach for many consumers.

Growth in prescription drug expenditures have far outpaced other categories in the health care industry.



Centers for Medicare and Medicaid Services has made reporting health care transparency a priority goal to allow consumers greater ability to select providers based upon high quality and efficiency. **Transparency is required in every sector of the health care industry EXCEPT prescription drugs.** CMS publishes utilization and payment data for:

- 
Physicians
- 
Hospitals
- 
Equipment Suppliers
- 
Home Health Agencies
- 
Skilled Nursing Facilities
- 
Hospice Providers

Health plans have their rates reviewed annually by CMS, DHHS, and DIFS regulators and, in addition, post their financial statements and actuarial rate justifications. The pharmaceutical industry, despite being one of the largest drivers of rising health care costs, is not transparent in how drug prices are set and what is behind drug pricing increases. Consumers deserve transparency in pharmacy costs.

Consumers deserve more pricing information.

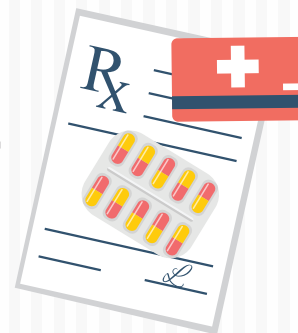


TRANSPARENCY

Force drug manufacturers to **provide transparency reports** on drug pricing in Michigan.

Time for Prescription Price Transparency

Rising drug costs push employer health care spending up



Premiums for a Michigan Family



rose from **\$5,791** annually in 2000 to **\$22,221** annually in 2022. An increase of **384%**

The cost of providing health care is the single most expensive cost to employers in Michigan today according to Michigan Chamber of Commerce. The most significant contributor to these rising costs for employers is prescription drugs.

Top Cost Drivers of Rising Health Care Costs

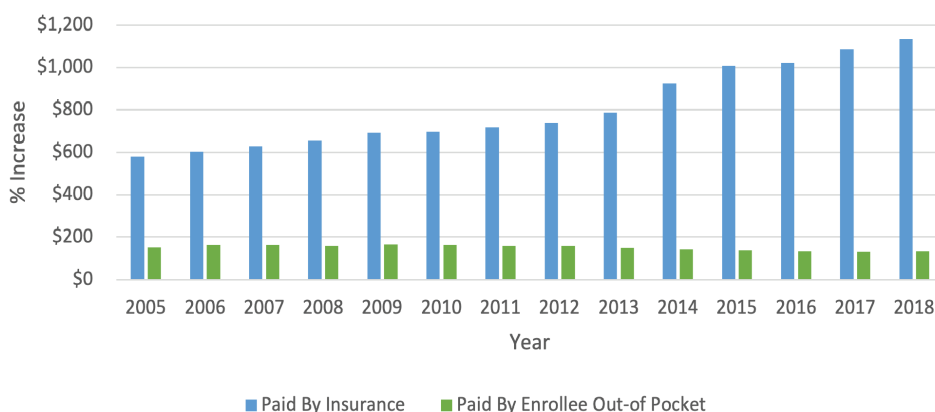


- Specialty pharmacy
- High cost claims
- Specific diseases or conditions
- Overall medical inflation
- Hospitalization (i.e. inpatient care)
- Outpatient procedures
- Traditional pharmacy

Trends in Out-of-pocket Prescription Drug Spending by Large Employer Groups

While the public worries about rising prescription drug costs, the Kaiser Foundation has found consumer out-of-pocket spending for prescription drugs has decreased for people with large employer coverage. That drives more of the cost burden for coverage of these drugs onto employers.

Average amount spent out-of-pocket and by insurance on retail prescription drugs, 2000 - 2018 (nominal dollars)



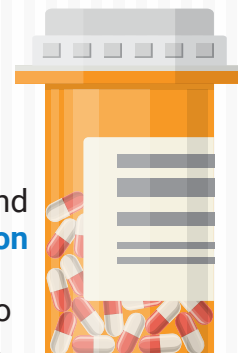
Source: Kaiser Family Foundation analysis of IBM MarketScan Commercial Claims and Encounters Database 2004-2018

Spending on health care in America will take \$1 of every \$5 of gross domestic product in 2025, with prescription drug spending increasing 79.6%¹.



2020 – Prescription drug spend **\$359 billion**

2025 – Prescription drug spend **\$614.5 trillion**



This represents a **percent change of 79.6%** compared to the comparative spending change in hospitals of 68.7% and physician and other professional services change 64.1%².

1- <https://www.healthaffairs.org> National Health Spending 2021
2- <https://www.iqvia.com> The Use of Medicines in U.S. 2022