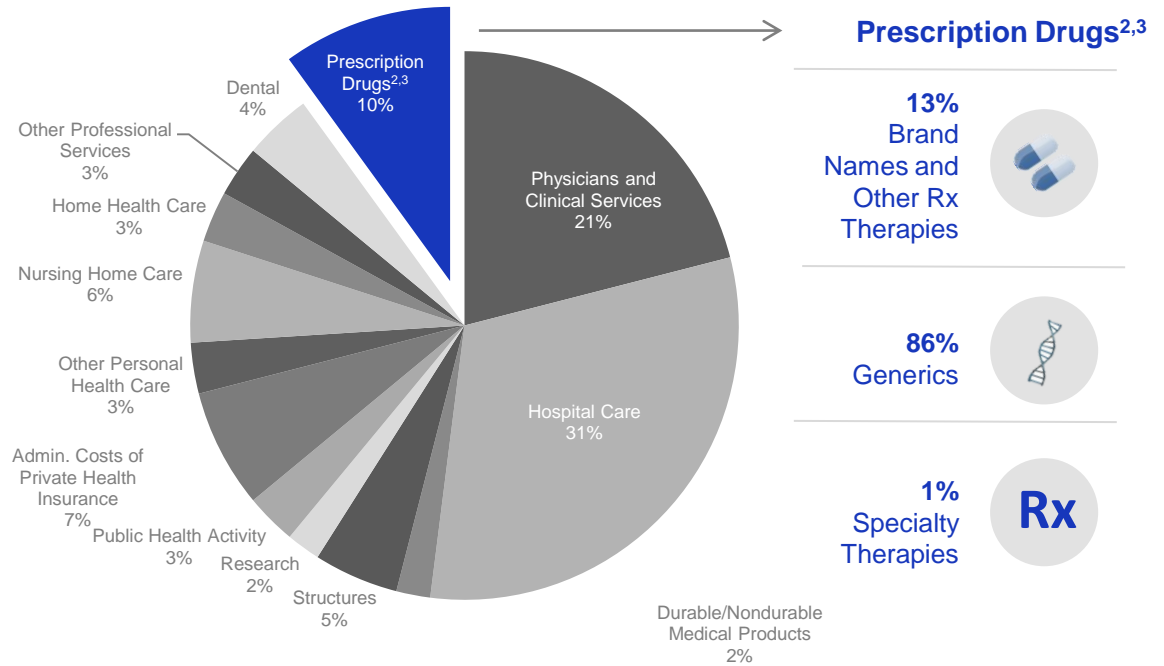


# Breakthrough Medications Save Money and Lives

## PERCENTAGE OF HEALTHCARE SPEND

According to a 2014 federal report by the Centers for Medicare and Medicaid Services (CMS), **retail prescription medicines will continue to account for less than 10 percent of total health care spending through 2023** – the same percentage as it was in 1960.<sup>1</sup>



**GENERIC MEDICINES = 86% TOTAL**

The argument that specialty therapies are the main healthcare cost driver is misleading when the fact is **86 percent of the spending is used for lower cost generic medications.**<sup>2</sup>

**<5% USE SPECIALTY THERAPIES**

Less than five percent of U.S. patients, typically those with severe or rare health conditions, use higher-price “specialty medications” – **meaning the vast majority of patients use lower cost, more affordable prescriptions.**<sup>3</sup>

**HOSPITAL CARE 3X MORE**

The U.S. will spend **three times more on hospital care** over the next decade than the total spending on prescription medicines.<sup>1</sup>

**INSURANCE PREMIUMS HIGHER**

From 1998 to 2003, **insurance companies increase premiums** by an average of \$104.62 per person. During that same period, drug costs only rose by \$22.48 per person.<sup>4</sup>

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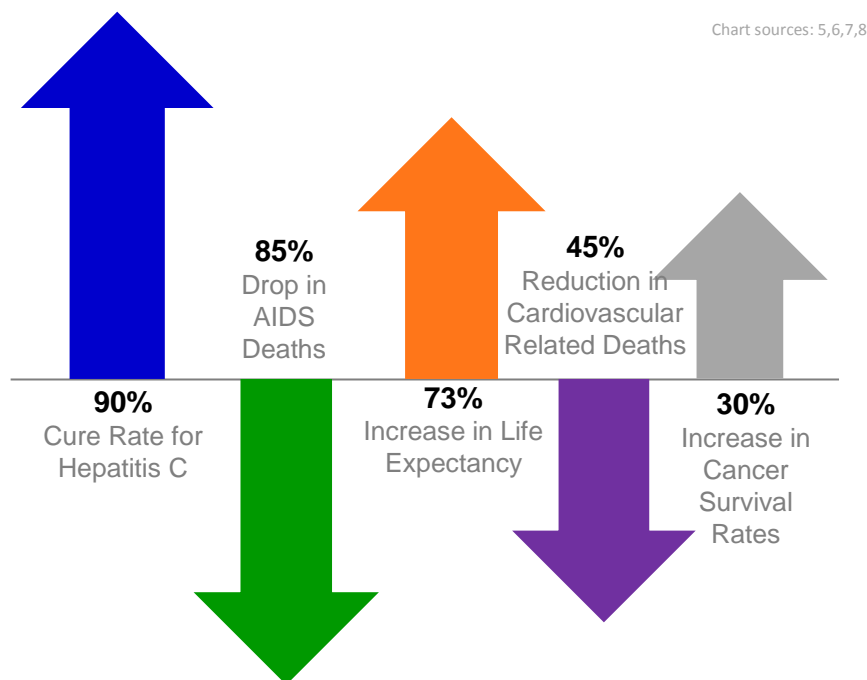


# Breakthrough Medications Save Money and Lives

Patients who have access and adhere to their medication regimens enjoy greatly improved health outcomes and make less use of more costly health services such as emergency room and doctor visits, hospitalizations and long-term care.<sup>1,2,3,4</sup>

*“Virtually every study of medical innovation suggests that changes in the nature of medical care over time are **clearly worth the cost.**”<sup>9</sup>*

David Cutler  
Harvard University Health Care Economist & Health Care Advisor to President Obama



*“Over the last half century improvements in health have been as valuable as all other sources of economic growth and productivity combined.”*

Kevin Murphy, PhD, and Robert Topel, PhD  
University of Chicago Economists



## Sources

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- <sup>5</sup> Biopharmaceutical Industry : The Value of Access to Innovative Medicines powerpoint presentation, slide 10. PhRMA. November 14, 2014. [www.cabiotech.org](http://www.cabiotech.org)
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