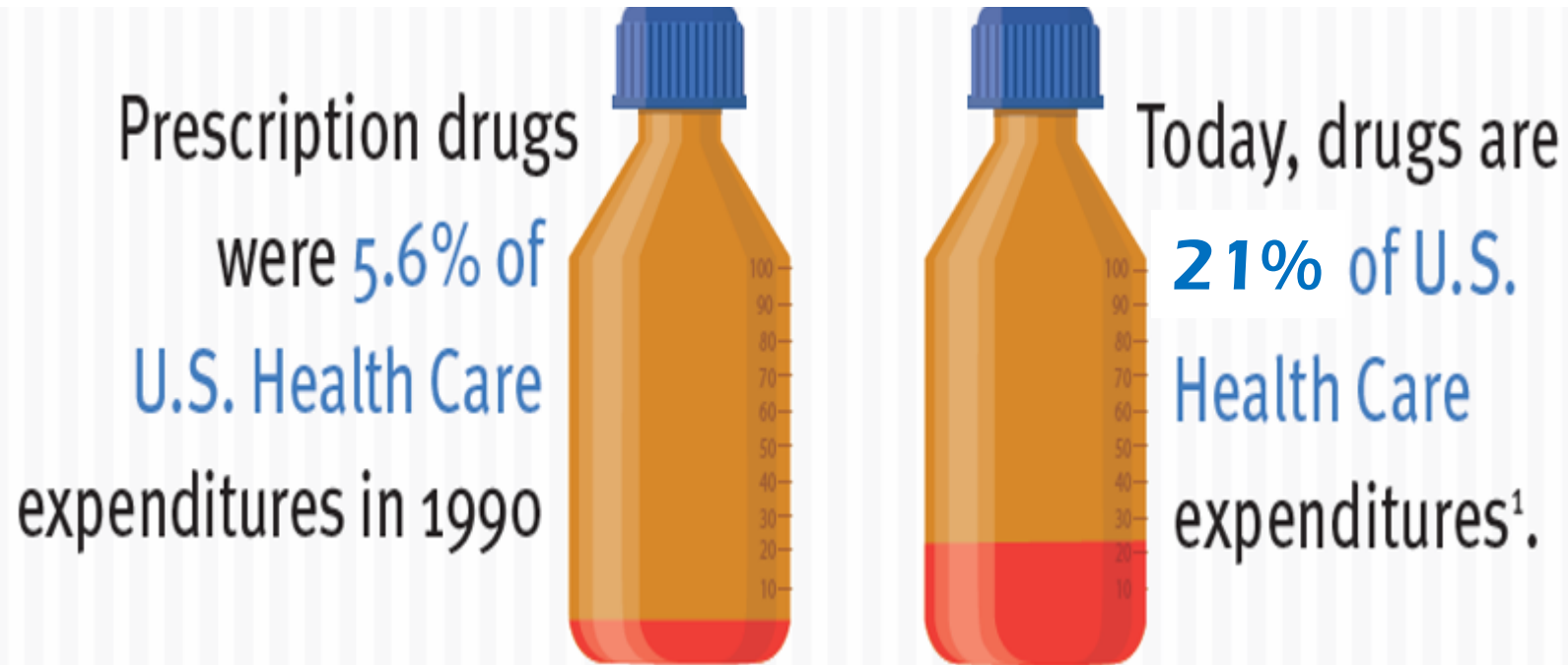


Controlling Prescription Drugs the Key to Affordability, Accessibility and Quality of Care

FEB. 2021



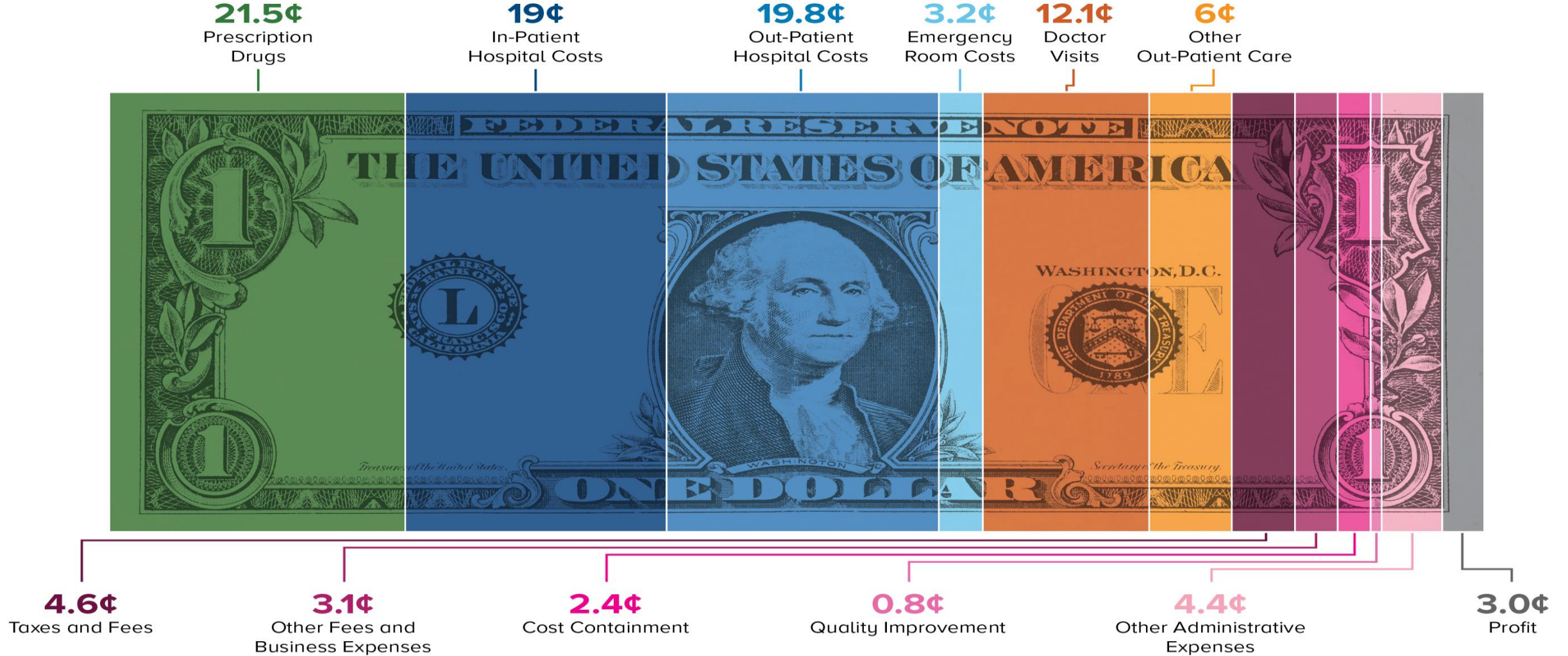
Growth in Prescription Drug Expenditures Far Outpace Other Categories in Health Care



¹<https://healthpayerintelligence.com/news/prescription-drugs-account-for-22-of-payer-premium-spending>

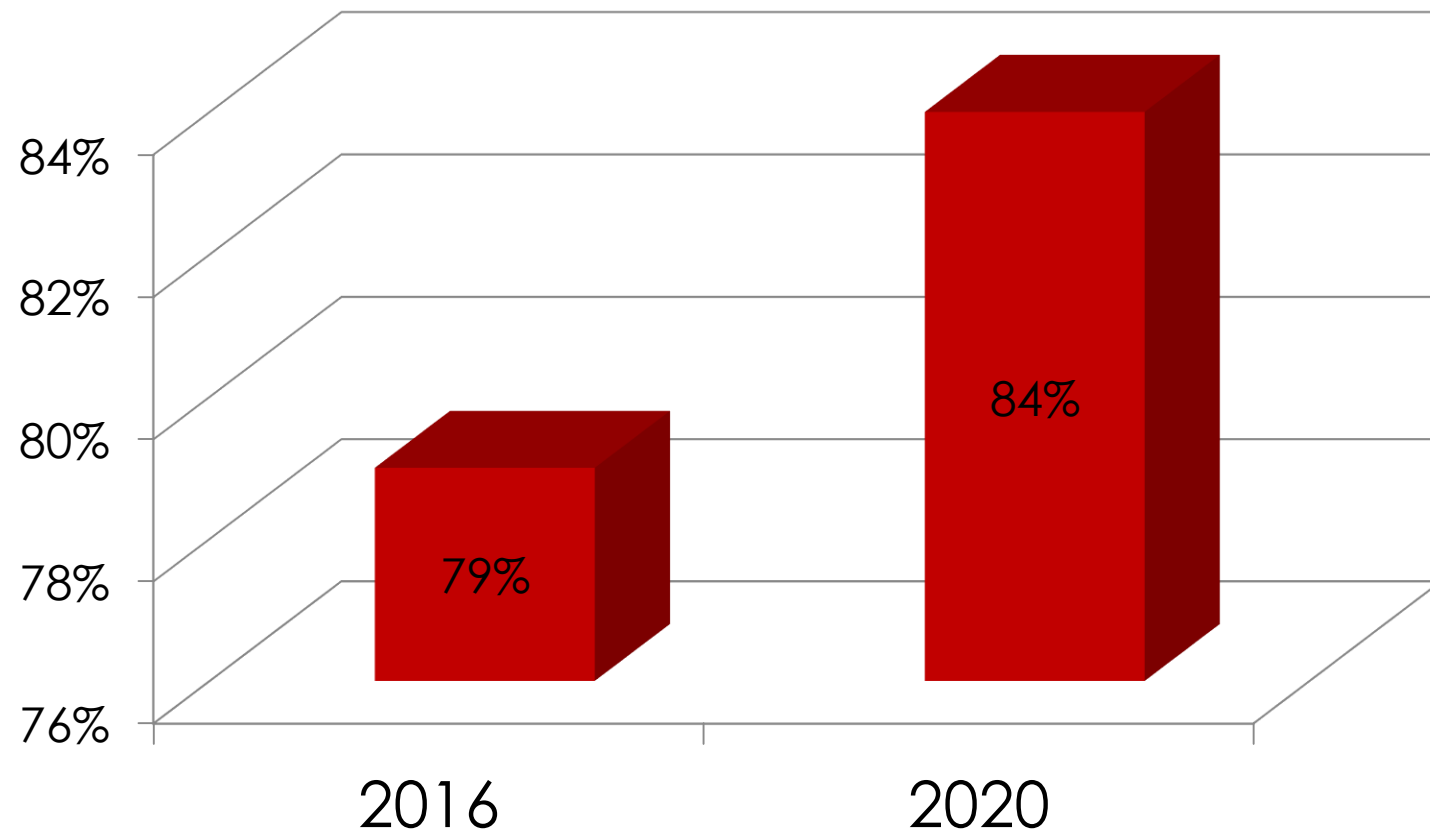
Where Does Your Health Care Dollar Go?

Your premium—how much you pay for your health insurance coverage each month—helps cover the costs of the medications and care you receive and improves health care affordability, access and quality for everyone. [Here is where your health care dollar really goes.](#)



This data represents how commercial health plans spend your premiums. This data includes employer-provided coverage as well as coverage you purchase on your own. Data reflects averages for the 2016-18 benefit years. Percentages do not add up to 100% due to rounding.

Support for Legislation that Would Require Drug Manufacturer Price Transparency in Michigan



■ Support

3 in 10 Individuals Identify Not Taking Drugs as Prescribed Due to Cost

Percent who say they have done the following in the past 12 months because of the cost:



Not filled a prescription for a medicine



Taken over-the-counter drug instead



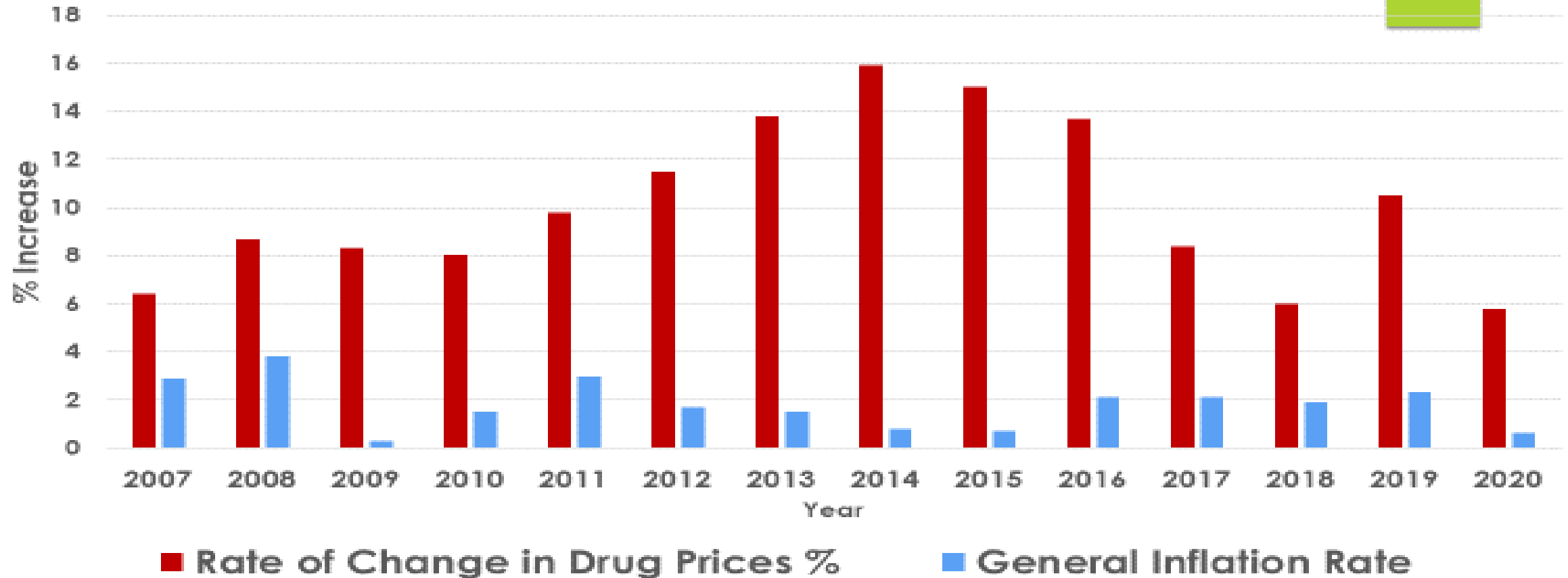
Cut pills in half or skipped doses



Percent who did not take prescription medicine as directed because of the cost

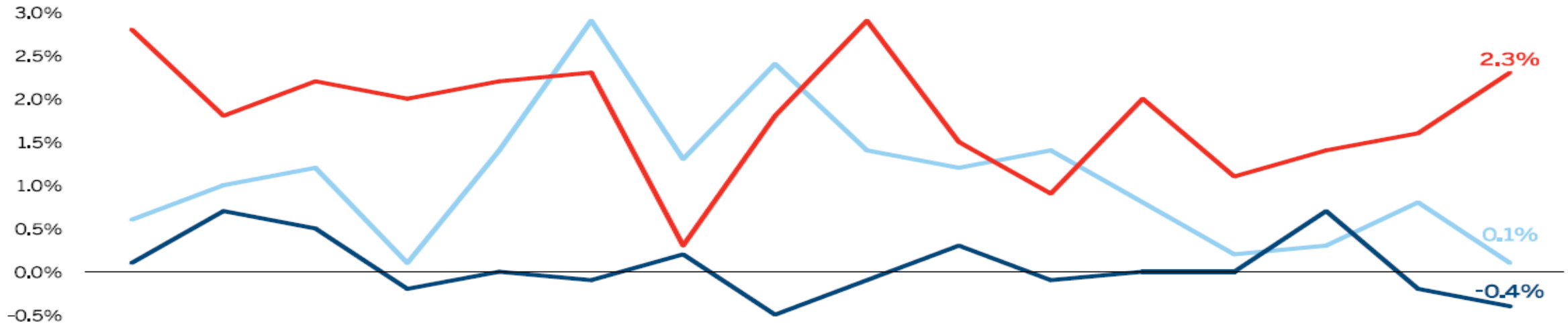
Change in Drug Costs Compared to Inflation U.S. vs Canada

Change in U.S. Drug Costs Compared to Inflation Rate



Change in Drug Costs Compared to Inflation in Canada

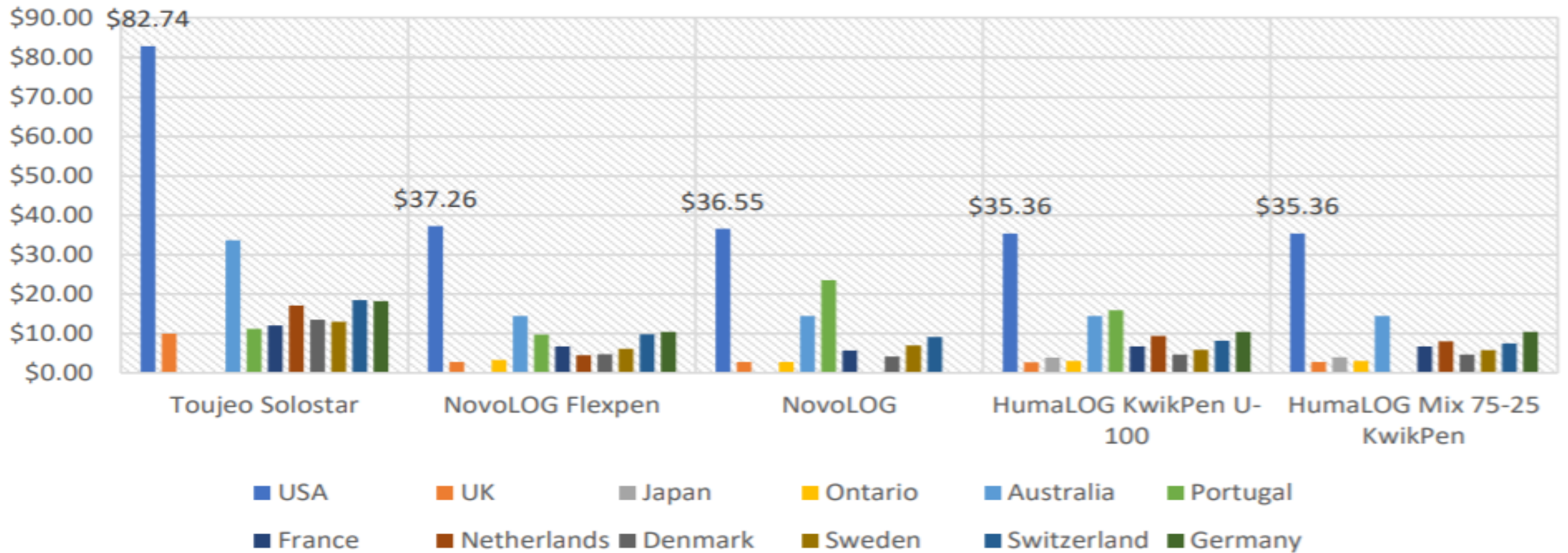
Annual Rate of Change, Patented Medicines Price Index (PMPI) and Consumer Price Index (CPI), 2003 to 2018



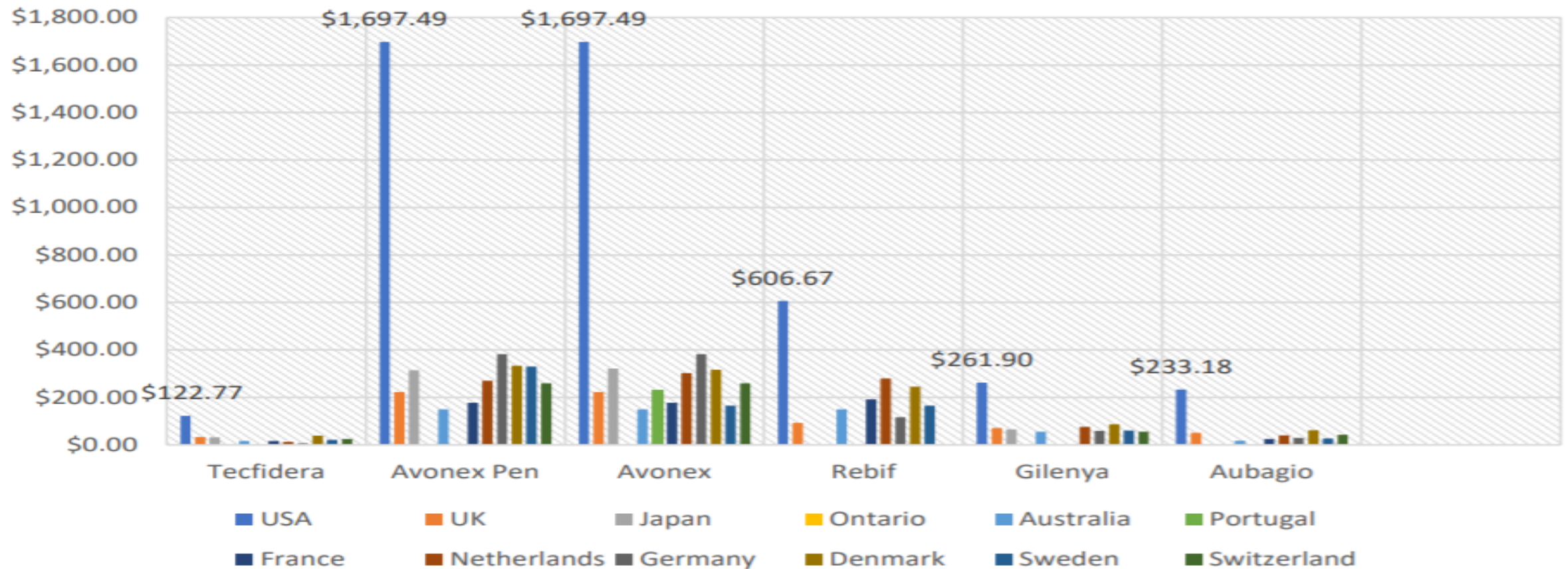
RATE OF CHANGE (%)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
— CPI	2.8	1.8	2.2	2.0	2.2	2.3	0.3	1.8	2.9	1.5	0.9	2.0	1.1	1.4	1.6	2.3
— PMPI change – National Average Transaction Price	0.1	0.7	0.5	-0.2	0.0	-0.1	0.2	-0.5	-0.1	0.3	-0.1	0.0	0.0	0.7	-0.2	-0.4
— PMPI change – National List Price	0.6	1.0	1.2	0.1	1.4	2.9	1.3	2.4	1.4	1.2	1.4	0.8	0.2	0.3	0.8	0.1

Insulin Drug Price Comparison 2018

U.S. verses International Pricing



Multiple Sclerosis Drug Price Comparison 2018 – U.S. vs. International Price Average

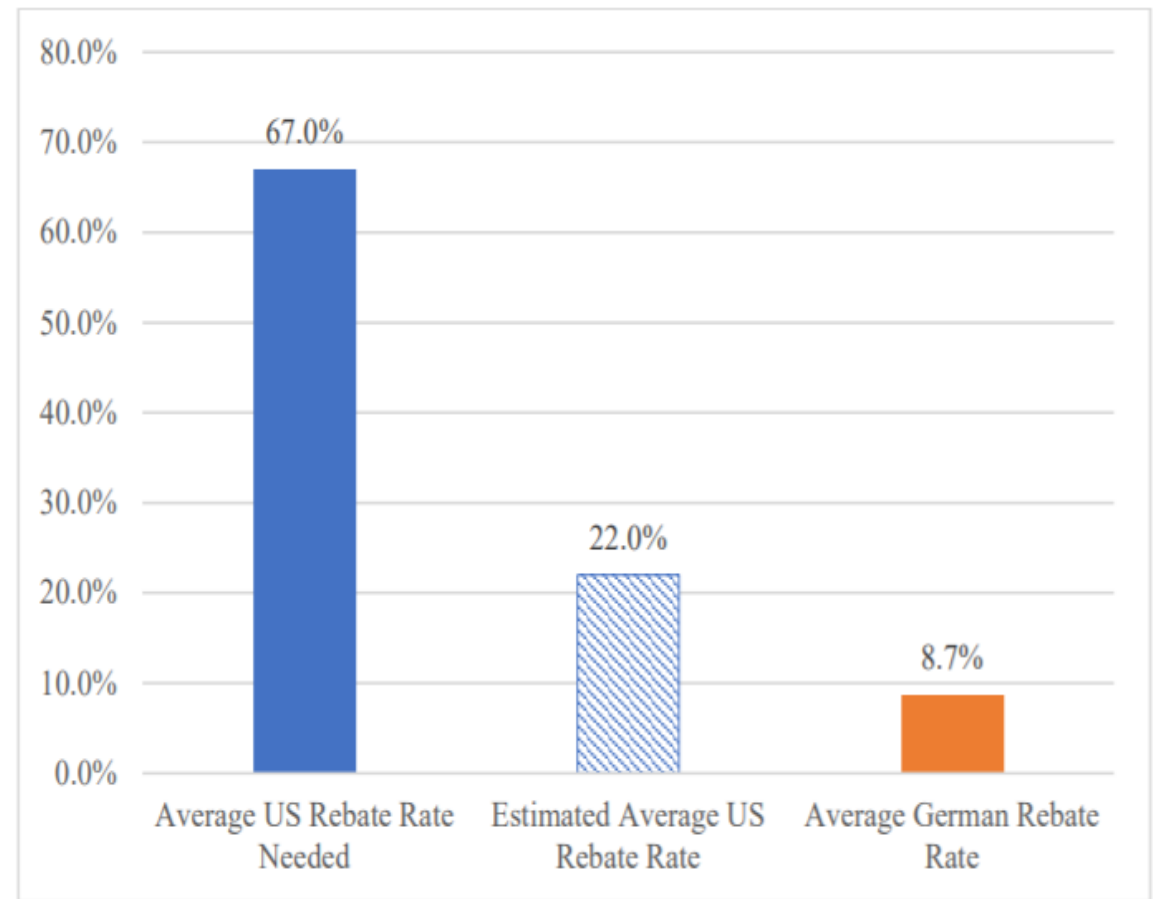


Trelstar- Example of a Comparison of Canada and U.S Coverage Policy

- ▶ Trelstar approved for use in U.S. March 2010 by FDA for prostate cancer
- ▶ Trelstar added to the Canada Public Health Prescription benefit in 2005
- ▶ Canada Patented Medicine Prices and Review Board (PMPRB) annually evaluate all new and existing drugs therapies for clinical effect and cost effectiveness.
- ▶ PMPRB determined Trelstar exceeded Canadian pricing guideline thresholds between Jan. 2013- Dec. 2017 which triggered a review, price reduction and payment to Receiver General of Canada of \$157,159.70
- ▶ **2018 Price of Trelstar in Canada \$343.58 per treatment compared to \$6,535.74 per treatment in the U.S.**

U.S. Rebate Price Required to Match International Pricing

Drug Prices Listed for Each Country			
Country	Average Price	US Rebate Rate Needed	Drugs Listed
U.S.	\$466.15	-	79
UK	\$105.45	77.4%	78
Japan	\$69.50	85.1%	58
Canada (Ontario)	\$132.59	71.6%	47
Australia	\$113.57	75.6%	62
Portugal	\$82.97	82.2%	37
France	\$104.51	77.6%	54
Netherlands	\$152.86	67.2%	61
Germany	\$165.01	64.6%	65
Denmark	\$182.29	60.9%	65
Sweden	\$143.91	69.1%	59
Switzerland	\$116.22	75.1%	72
<i>Average</i>	\$152.92	73.3%	61.4



Why Prescription Drug Pricing Transparency Matters

- ▶ The rising costs of prescription drugs have increased the financial burden on Michigan residents.
- ▶ Drug costs and continued price increases are a major contributor toward the overall high health care costs and rising consumer premiums.
- ▶ Prescription price increases are significantly outpacing the general inflation rate.
- ▶ Many drugs (brand and generic) have double-digit price increases, often multiple times a year.
- ▶ New drugs being launched have prices exceeding \$100,000 - \$1 Million contributing to unsustainable health care costs.

Prescription Drug Transparency Legislation

- ▶ Policy legislation shifting the cost of prescription drugs to employers or payers does not address the true issue – the HIGH COST of PRESCRIPTION DRUGS
- ▶ Prescription drug price transparency legislation is the key.
- ▶ Transparency legislation on prescription drugs is required included under the European Medicines Agency (Policy 0070) which covers 33 countries and the Canadian Prescription Drug Management Program



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