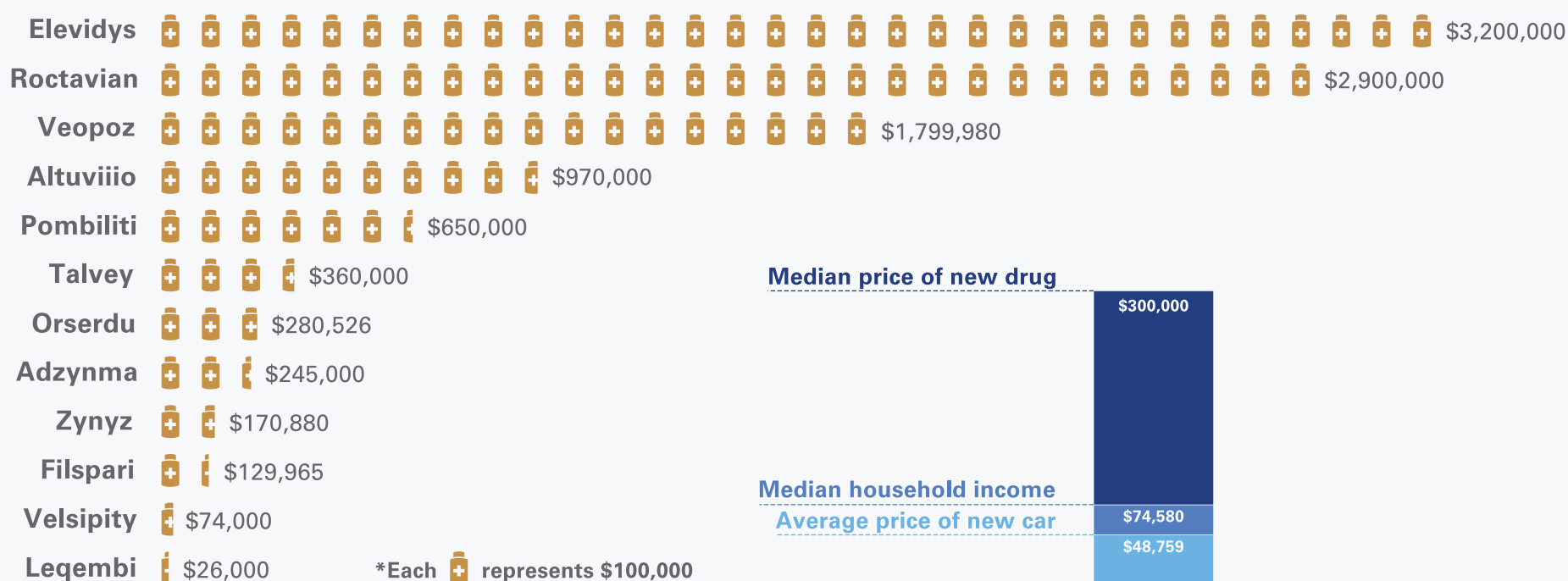


Drug Prices and Shortages Increase Hospitals' Costs and Jeopardize Patient Access to Care

Drug companies continue to introduce new drugs at record prices. The median annual list price for new drugs in 2023 was \$300,000, an increase of 35% over the previous year.

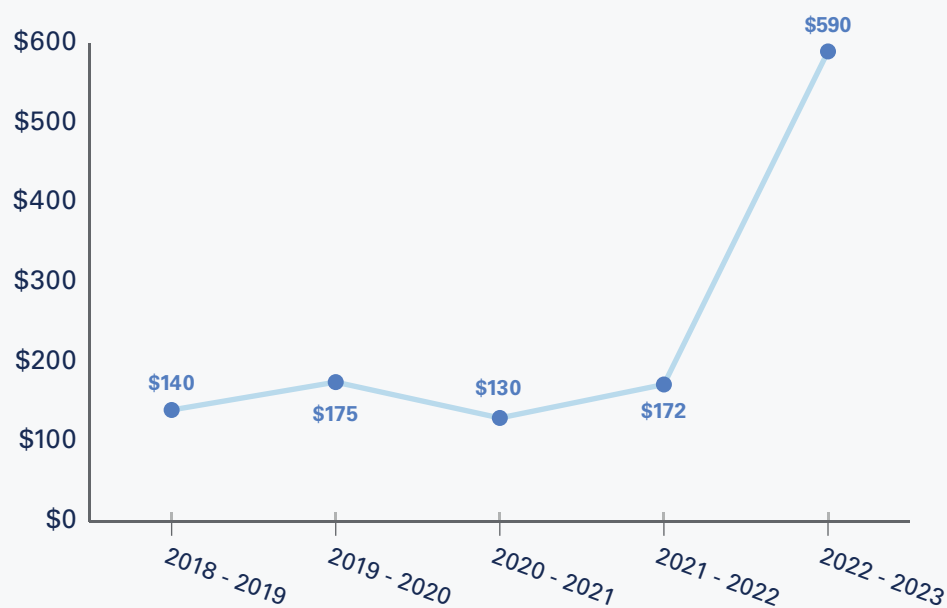
Annual List Price of Novel Drugs Launched in 2023*



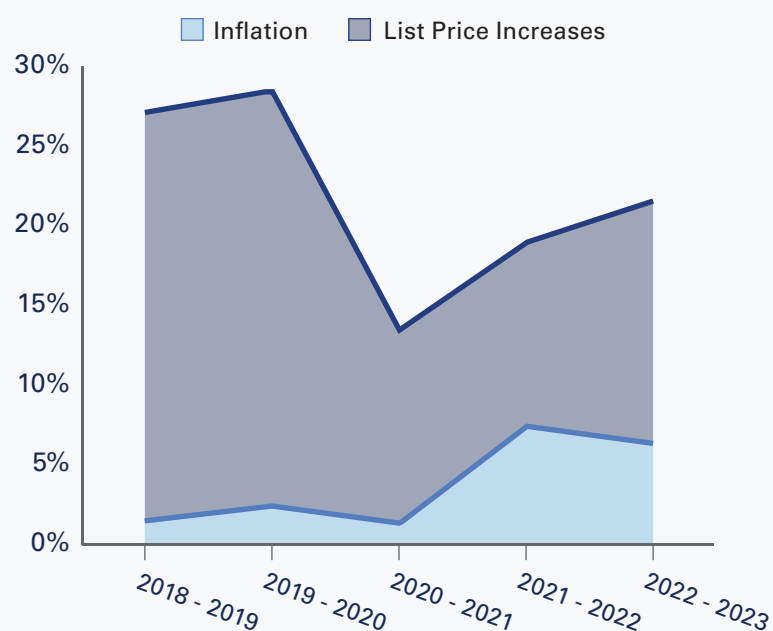
Source: Annual list prices of novel drugs launched in 2023 are from a Reuters survey of new drug costs. Median household income is from 2022 Census Bureau data. Average price of new car is from Kelly Blue Book new-vehicle transaction price in December 2023.

Average list price increases for existing drugs skyrocketed between 2022 and 2023 and have consistently outpaced general inflation.

Average List Price Increases (\$), 2018 to 2023



Average List Price Increases (%) Exceed Inflation, 2018 to 2023



Source: Bosworth, A, Sheingold, S, Finegold, K, Sayed, B.A., De Lew, N Sommers, B.D. (Issue Brief No. HP-2023-25). Washington, DC: Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services October 2023.

Drug shortages were the highest in a decade, adding as much as 20% to hospitals' drug expenses. Drugs in short supply increased costs due to:



Price increase of the drug in shortage



Extra labor needed to find, procure, and administer alternative drugs



Purchase of drugs outside of traditional suppliers and group purchasing agreements



Training staff to ensure medication safety using alternative therapies



Increase in the price of substitute drugs



Adverse events related to use of alternative therapies

Sources: [1] American Society of Health-System Pharmacists. Severity and Impact of Current Drug Shortages June/July 2023. <https://news.ashp.org/-/media/assets/drug-shortages/docs/ASHP-2023-Drug-Shortages-Survey-Report.pdf>; [2] Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health & Human Services. Impact of Drug Shortages on Consumer Costs. May 2023. <https://aspe.hhs.gov/>; [3] Routsolias, J.C., Webb, A.N. Drug Shortages Negatively Impact Health Systems and Bedside Patient Care. J. Med. Toxicol. 19, 246–247 (2023).