

True transparency: examining the cost of prescription drugs, together

We all agree that patients need access to medicines and health care at affordable prices. That's why Colorado BioScience Association encourages true transparency.

True transparency means:

- Working together to provide patients access to affordable medicines.
- Addressing the health care system as a whole.
- Considering every player in the health care system to make meaningful changes for patients and their families.

Let's broaden this important conversation to create practical solutions for patients.



How are drug prices determined?

Drug prices reflect years of research, development and clinical trials.

- One successful drug takes 10-12 years and costs up to \$2.6 billion to bring to market.
- Few medicines make it to market successfully; in fact, 90% fail.
- Manufacturers cover the costs of failed drugs with successful life-saving drugs.



What else impacts drug prices?

Drug prices also reflect complex deals made by insurance companies and pharmacy benefit managers (PBMs).

- PBMs structure manufacturer rebates on medicines so the money goes back to the PBM or the employer, not the patient.
- Insurance companies and PBMs increasingly shift the cost of medicines to patients.
- They maintain the most control over what patients pay at the pharmacy counter.



What solutions drive down costs?

- Competition in the market and expiring patents will produce substantial savings on medicines in coming years.
- New competition from generic and biosimilar drugs over the next five years will reduce prescription drug spending by \$143.5 billion.
- Many drug manufacturers offer medicines to low-income patients for free or at a savings through special programs.

As informed citizens and representatives of the people, let's open the dialogue and talk about a comprehensive approach to pricing transparency.

For in-depth information on contributors to drug costs, please visit www.drugcostfacts.org, or contact Jennifer Jones, Vice President of CBSA: jjones@cobioscience.com.