

What's really happening when it comes to prescription drug costs



New data show how robust competition continues to keep national spending on life-saving medicines in check, even as new innovative treatments reach patients. According to the latest report by the health care data analytics experts at IQVIA:

- **Net prices for brand medicines increased by an average of just 1.0% in 2021**, below the rate of inflation for the fifth year in a row. Looking ahead, net prices for brand medicines are expected to remain flat or decline through 2026.
- Rebates, discounts, and other payments from manufacturers **reduced the list price of brand medicines by 49% on average in 2021**. Unfortunately, too often, insurers and middlemen don't share these savings with patients at the pharmacy, which can lead to higher out-of-pocket costs.
- New national spending on COVID-19 vaccines and treatments that have saved lives and reduced hospitalization during the pandemic drove higher than usual medicine spending last year. After excluding spending related to the pandemic, total net **spending on medicines per capita declined by 1% in 2021**.
- Competition among brand and generic medicines **reduced spending on brand medicines by \$93 billion over the past five years**, more than offsetting spending on new innovative medicines developed over the same period. Competition will continue to produce savings, reducing spending on brand medicines by an estimated \$56 billion over the next five years.

As [IQVIA's Murray Aitken noted](#):

"Contrary to much of the rhetoric out there around drug pricing, we see another year where branded drug makers are increasing net prices at less than inflation in 2021."

Any effort to make health care more affordable should be led by facts, not rhetoric. That is why we urge lawmakers to look at the real affordability challenges facing patients, such as abusive practices by middlemen and insurers that drive up the costs of care to patients, and work with all health care stakeholders on smart solutions that ensure medicines are accessible and affordable for all patients.