When it comes to spending on retail prescription medicines, there is a lot of information out there. There is also a lot of misinformation. Make sure you know the facts.

**FOUR FACTS about spending on PRESCRIPTION MEDICINES**

1. **Retail Prescription Medicines Have Consistently Accounted for About 10% of U.S. Health Care Spending and Are Projected to Remain That Share Through the Next Decade**

   - 10% in 1960
   - 10% in Today
   - 10% in 2020 projected

   PhRMA analysis based on CMS NHE data

2. **Medicines Have Remained a Small Share of Health Care Spending Because a Competitive Biopharmaceutical Marketplace Helps Control Costs**

   - **Negotiation:** Insurers aggressively negotiate discounts
   - **Brand Competition:** Competition among medicines produces savings even before generics are available
   - **Generics:** Nearly 90% of all medicines dispensed are generics

   Express Scripts 2013 Drug Trend Report

3. **Despite a Long and Costly R&D Process, More Than 500 New Medicines Have Been Brought to U.S. Patients in the Last 15 Years**

   - On average, it takes 10 years and $2.6B to develop a new medicine
   - Only 12% of candidates that enter clinical testing are approved for use by patients
   - Just 2 in 10 approved medicines recoup the money invested in R&D

   Tufts CSDD; “Drug Development Costs When Financial Risk is Measured Using the Fama-French Three-Factor Model,” Health Affairs

4. **Innovative Medicines Help People Live Longer, Healthier Lives**

   - **HEP C**: New hepatitis C therapies have cure rates above 90%
   - **HIV/AIDS**: The U.S. death rate for HIV & AIDS has fallen nearly 85%
   - **CANCER**: Cancer death rate in U.S. has fallen 22%

Learn more about the cost and value of medicines at phrma.org/cost