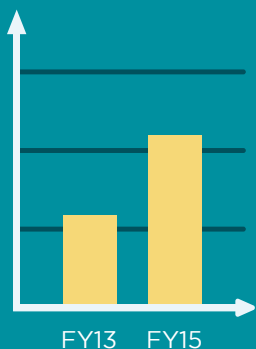




A DOSE OF FACTS



✓ DRUG PRICES ARE RISING DRAMATICALLY



38.7%
growth in inpatient drug spending on a per admission basis over a two year period.

- Total annual spending on prescription drugs has reached \$309 billion, the fastest growing segment of the U.S. health care economy.
- The price of drugs, not utilization, is the predominant contributor to the increase.
- The cost of some drugs jumped as much as 3,600% over two years.



✓ UNEXPECTED, IRREGULAR, & SUSTAINED PRICE INCREASES UNDERMINE PATIENT CARE



More than 90%
of hospitals said drug spending was of moderate or severe concern.

- The rising cost of drugs challenges hospitals' ability to retain patient access to a broad range of affordable treatments.
- Medicare reimbursement, a critical source of payments to hospitals, cannot keep pace with price increases.



✓ HOSPITALS AND PATIENTS HAVE FEWER LOWER-COST ALTERNATIVES



The prices of **both branded and generic drugs** are increasing.

- Many drugs with steep price increases are common and have been approved and on the market for years.
- These common drugs include everything from anesthesia to antibiotics.
- About half of the sampled drugs have no generic competition.

