

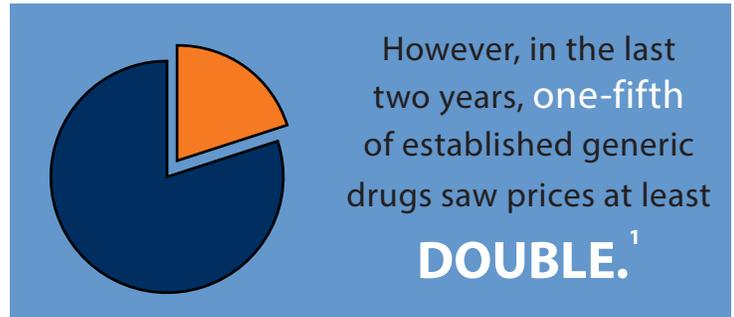
The Spike in Drug Prices: Generics

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Generics have helped patients save money by providing a low cost alternative to brand name drugs. But lack of competition is arbitrarily increasing prices, making generics as costly as brand drugs.

What happens when generics don't compete?

Generally, generics create competition and drive down prices for consumers.



Extreme pricing tactics are used by **brand** and **generic** manufacturers alike, as seen in this example.



Choosing one generic over another can save a lot of money... but that information isn't always available.



Doctors write prescriptions for a generic drug.



WHOLESALER
PBM*
PHARMACY

Purchasers and intermediaries negotiate with manufacturers and decide which generic to offer.



Families have to pay for the generic the purchaser chooses.

Let's all work together to ensure patients have access to affordable generics.



ACHP promotes greater transparency on prescription drug research. This infographic is one of a series on prescription drug transparency. For more infographics like this, please follow us on Twitter @_ACHP or visit us at www.ACHP.org.

SOURCES:

1. United States Government Accountability Office. (2016). Generic Drugs Under Medicare: Part D Drug Prices Declined Overall, but Some Had Extraordinary Prices Increases. GAO-16-706. Retrieved from <http://www.gao.gov/assets/680/679022.pdf>

2. Based on Medi-Span® Price Rx® data as of April 2017. Figures reflect wholesale acquisition cost (WAC). Note: price modification will alter the values reflected. This infographic is intended to call attention to pharmaceutical pricing tactics. For that reason, we omitted the drug name on the first page of the infographic. For those interested, the data reflect trends in WAC prices for a 40 gram tube of salicylic acid external gel 6%. The four manufacturers are Summers Labs (Brand), Solutech Pharmaceuticals (Generic A), Acella Pharmaceuticals (Generic B) and Exact-Rx (Generic C). Salicylic acid external gel is a dermatologic medication used to break down layers of thick skin. It is commonly used to treat warts, psoriasis, calluses, corns and acne.

*Pharmacy Benefit Managers (PBMs) are third-party administrators of prescription drug programs.

About ACHP

The Alliance of Community Health Plans (ACHP) is a national leadership organization bringing together innovative health plans and provider groups that are among America's best at delivering affordable, high-quality coverage and care. The community-based and regional health plans and provider organizations from across the country that make up ACHP's membership provide coverage and care for approximately 18 million Americans. These organizations focus on improving the health of the communities they serve and are on the leading edge of innovations in affordability and quality of care, including primary care redesign, payment reforms, accountable health care delivery and use of information technology.

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