

What is the Value of Medicine?



Over 500 Medicines Created In 15 Years

Since 2000, biopharmaceutical companies have brought more than 500 new medicines to patients in the U.S. As a result, we have successfully improved the quality and length of life for Americans confronting the most costly and challenging diseases (cancer, diabetes, etc.).

Yet, spending on retail prescription medicines accounts for the same percentage of health care spending today as in 1960 - just 10 percent. Government actuaries project that spending on prescription medicines will continue to grow at a rate that is consistent with overall health care spending through the next decade while the U.S. will spend \$13.5 trillion on hospital care. That is 3X more than the spending on medicines.

Resulting In Longer & Healthier Lives

Innovative medicines help patients live longer and healthier lives. In many cases, research and medicines from the biopharmaceutical sector are the only chance for survival for many patients.

- Medicines have helped raise average U.S. life expectancy from 47 years in 1900 to 78 years.ⁱ
- Since its peak in 1991, the cancer death rate in the U.S. has fallen nearly 22 percent.ⁱⁱ
- Today, a range of treatment options are available to hepatitis C patients offering cure rates upwards of 90%, with few side effects, in as few as 8 weeks.^{iii iv}
- Since the introduction of highly active antiretroviral treatment (HAART) in 1995, the HIV/AIDS death rate has dropped nearly 85%.^v

Decreasing Expensive Hospital Visits & Emergency Room Visits

Medicines can shift the treatment paradigm toward prevention by allowing patients to avoid expensive hospitalizations and emergency room visits. According to an analysis, the U.S. health care system could save \$213 billion annually if medicines were used properly^{vi}. And every additional dollar spent on medicines for adherent patients with congestive heart failure, high blood pressure, diabetes and high cholesterol generated \$3 to \$10 in savings on emergency room visits and inpatient hospitalizations.

Medicines can also reduce the projected impact of diseases. In the fight against Alzheimer's disease, new medicines approved by 2025 that delay the onset of Alzheimer's disease by five years would reduce the number of people with the disease by approximately 40 percent and avoid \$367 billion annually in long-term care and other health care costs by 2050.

ⁱ US Department of Health and Human Services (HHS), US Centers for Disease Control and Prevention (CDC), National Center for Health Statistics (NCHS). Health, United States, 2008 with chart book. Hyattsville, Md.: NCHS, 2009. 2010-2011

data from Hoyert DL and Xu J. Deaths: preliminary data for 2011. National Vital Statistics Reports, 2012; 61(6): 5. Hyattsville, Md.: NCHS.

ⁱⁱ Simon S. Statistics report: 1.5 million cancer deaths avoided in 2 decades. December 31, 2014.

ⁱⁱⁱ US Food and Drug Administration. FDA approves first combination pill to treat hepatitis C. FDA press release. 10 Oct 2014.

^{iv} US Food and Drug Administration. FDA approves Viekira Pak to treat hepatitis C. FDA press release. 19 Dec 2014.

^v US Department of Health and Human Services, US Centers for Disease Control and Prevention, National Center for Health Statistics (NCHS). Health, United States, 2010: with special feature on death and dying, table 35. Hyattsville, Md.: NCHS; 2011.

^{vi} IMS Institute for Healthcare Informatics, Avoidable Costs in U.S. Healthcare. June 2013