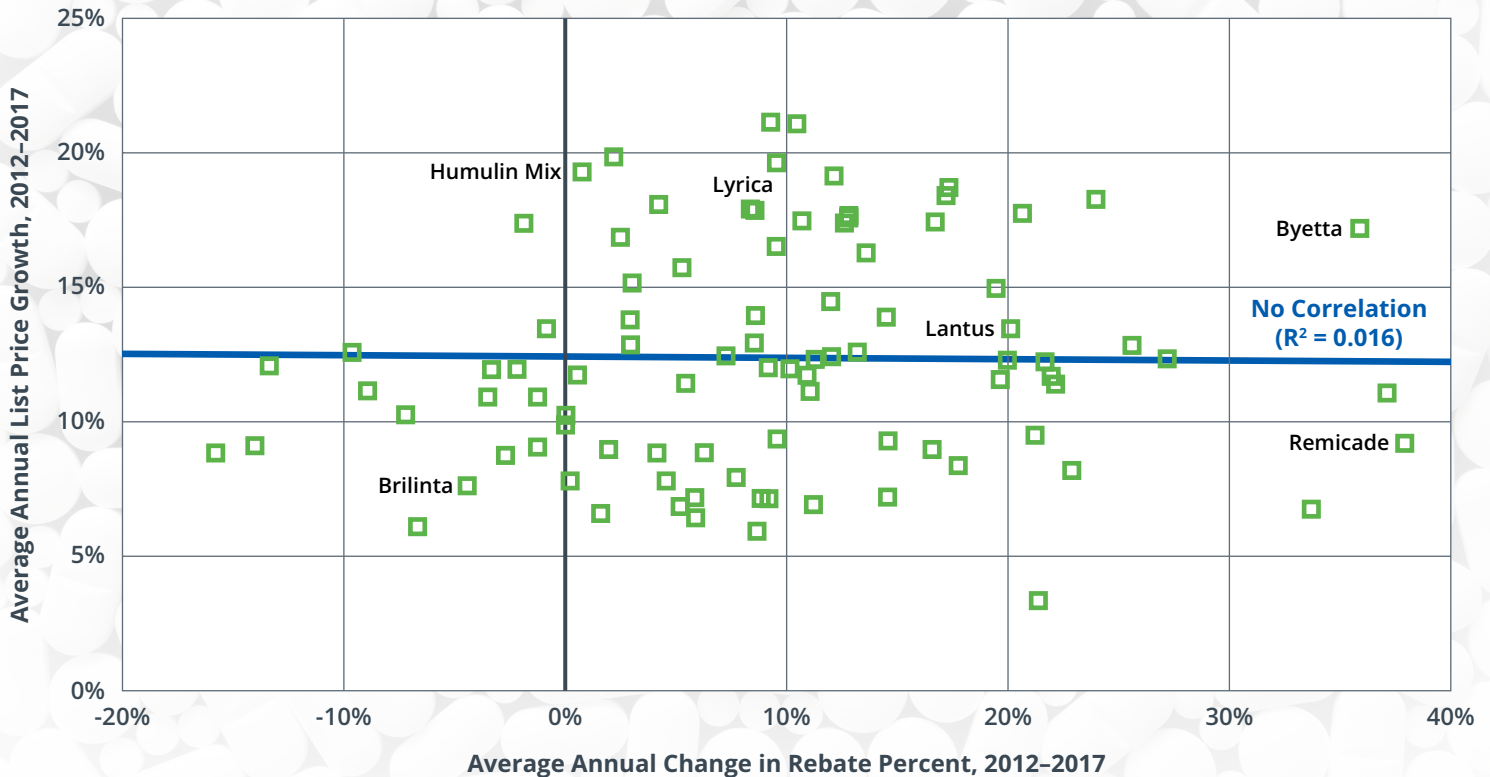


NEW DATA REFUTES DRUGMAKERS' CLAIMS THAT INCREASING PRICES IS NECESSARY BECAUSE OF PBM NEGOTIATED REBATES

Increasing Drug List Prices Show No Correlation with **Change** in Rebates (2012–2017)



Each square represents a specific brand name drug, for example, Remicade, Lyrica, and Lantus. The sample of drugs included are from the Medicare Part D top 250 drugs by total spending in 2016. Drugs were included in the sample if there was valid rebate data from SSR Health and they were on the market for the entire 2012–2017 time period, leaving a sample of 96 drugs (four outliers are not shown due to graph truncation, but are included in the correlation analysis.).

Major Findings:

- Increasing list prices *are not correlated* with **changes** in rebates ($R^2=0.016$), shown with the horizontal blue line.
- List prices for all drugs increased faster than the rate of inflation. There is no consistent pattern to the changes in rebates; some increased while others decreased.
- There are prominent cases of higher-than-average price increases on brand drugs where rebates stayed the same or declined (ex: Humulin).

Source: PCMA and Visante analysis of data from CMS and SSR Health, 2018.