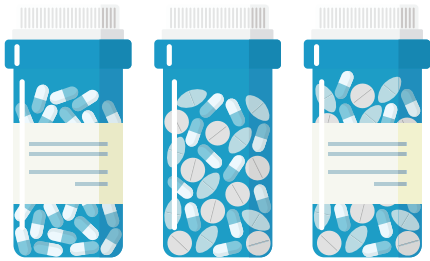
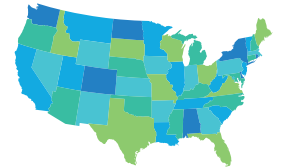


ARE PRESCRIPTION DRUGS TO BLAME FOR THE RISE IN HEALTH CARE SPENDING IN THE US?

Total healthcare spend as % of GDP in the US is 17% compared to 9% in OECD countries*.



Public Opinion believes the cost of drugs is the issue. **The facts are:**

- Drug spend is 2% of GDP in the US
- Drug spend is 1.5% of GDP in OECD countries

Drug spending in both the US and OECD countries represents a small slice of overall healthcare spend.

In US, we could bring drug spend as % of GDP down to 1.5% (OECD level)

- This **could result in unintended consequences** that could jeopardize the vitality of the US pharma industry.

If total healthcare spend as % of GDP in the US is 17% and it's 9% in OECD countries and there is only a .5% difference in drug spend as a % of GDP, what accounts for rest of the 7.5 point difference?

- An analysis of the total spend in the US versus OECD countries is **primarily due to hospital and outpatient spend in the U.S.** (accounts for 6.5 of the difference)

*35 developed countries who have signed the convention on the Organization for Economic Cooperation and Development.