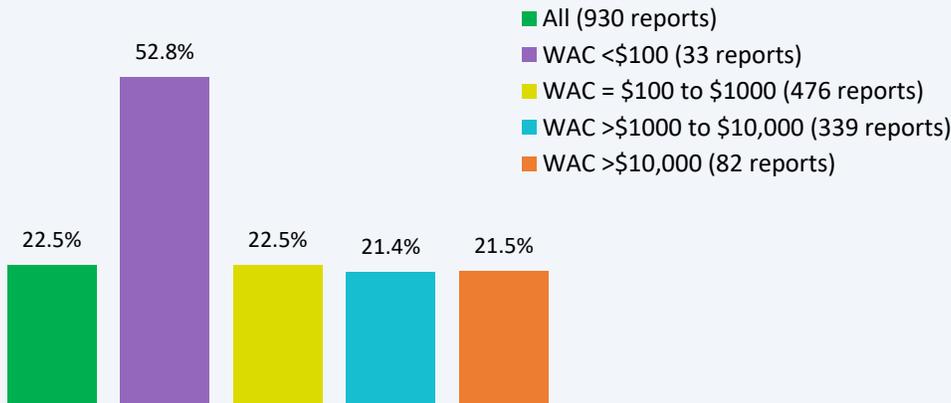


2020 Q1-Q2 Reporting Prescription Drug Wholesale Acquisition Cost (Wholesale Cost) 3-Year Median Percent Increase (January 2018 through June 2020)

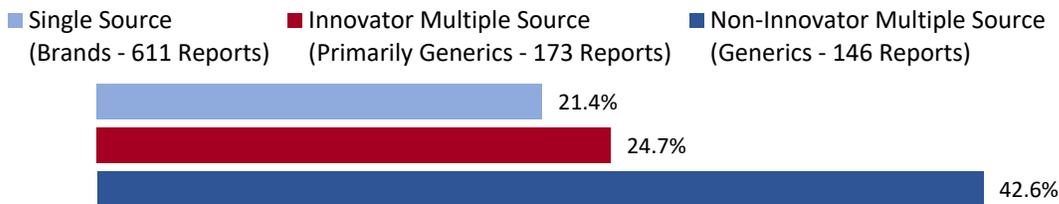
Percent Increase by WAC



- 22.5% 3-year median increase in wholesale cost for all reports, equivalent to a 7% annual increase while the nation experienced an annual increase of -10% during the same period. The GDP annual increase during the 3-year period reflects the full effect of the pandemic, but the wholesale cost increase percentages likely do not. Although the data includes increases from Q2 2020, which is during the pandemic, the majority of the increases in the data occurred in Q1 2020 and came into effect before the shut-down due to the pandemic.

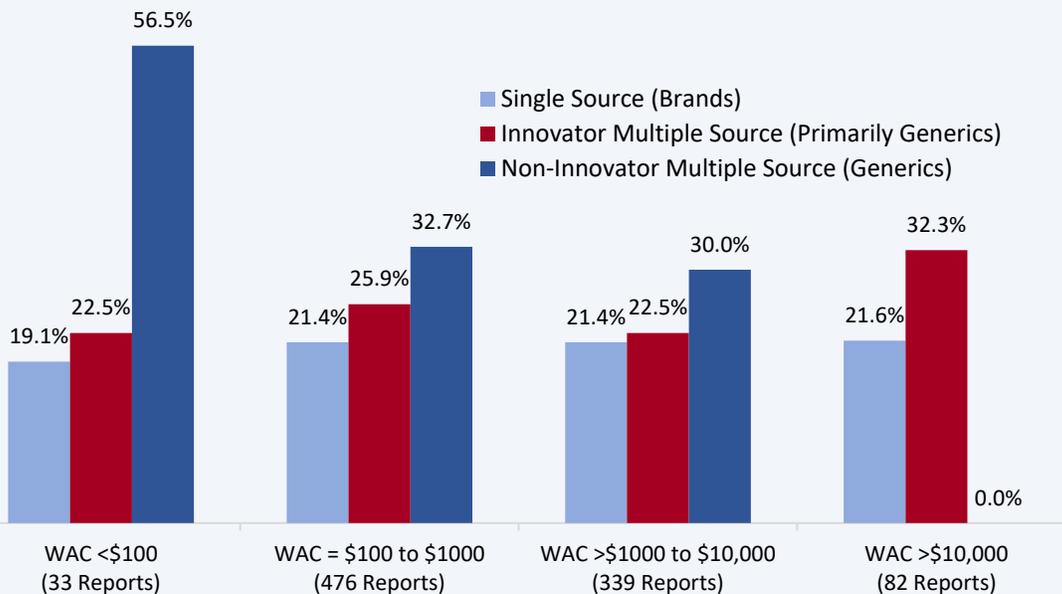
- Drugs with wholesale costs less than \$100 (least expensive) experienced the highest wholesale cost increases (52.8% 3-year median increase).

Percent Increase by Drug Source Type



- Non-Innovator Multiple Source drugs (Generics) had the largest 3-year median increase (42.6%) among drug source types.

Percent Increase in Wholesale Cost by Drug Source Type by Cost Category



- The 3-year median percent wholesale cost increase of the least expensive category of reported non-innovator multiple source drugs (generics), at 56.5%, was significantly larger than all other increases, with Non-innovator Multiple Source drugs with a WAC from \$100 - \$1,000 being the next largest increase, at 32.7%. There were no reported wholesale cost increases for non-innovator multiple source drugs with wholesale costs greater than \$10,000.

- Non-innovator multiple source drugs (generics) had the widest range of 3-year median percent wholesale cost increases across wholesale cost categories.

- The most expensive category of single source drugs (brands) had the largest 3-year median percent wholesale cost increase (21.6%) among all the reported single source drugs (brands).

Manufacturers are required to provide the reason(s) for reported wholesale cost increases, unless the information is not public. More than half (65.6%) of the reports did not include any reasons for the reported wholesale cost increases due to the information not already being in the public domain.

Notes: (1) Wholesale cost refers to the industry term of wholesale acquisition cost (WAC), which is the wholesale list price of a prescription drug. (2) Median is the middle data value of a numeric dataset that has been arranged in sequential order. (3) The 3-year median percent increase is based on five years of submitted wholesale cost data. (4) The dataset is subject to reporting. The dataset includes only complete reports submitted by manufacturers for Q1-Q2 2020, including reports that do not meet the specified minimum thresholds for reporting. (5) Manufacturers can submit late reports; and therefore, late reports for the first 2 quarters of 2020 that were submitted after August 17, 2020 are not included in the data.