



Lowering the Cost of Prescription Drugs for Low Income Seniors

The federal government is the nation's largest health care purchaser and generic drugs are an essential part of the success and sustainability of public programs such as Medicare.

By all accounts, the Medicare Part D program has enabled access to more affordable generic drugs for millions of seniors. Generics in these programs expand access to medicines and keep patient and program costs low.

In fact, without generic drugs, prescription drug spending in Medicare would nearly double. And, a new Government Accountability Office report shows that prices for generic drugs in Medicare Part D fell 59 percent from the first quarter of 2010 to the second quarter of 2015.

There are still opportunities to improve access to generics, particularly for seniors in the Medicare Part D low income subsidy (LIS) program. LIS beneficiaries, which include some of the most vulnerable patients in the program, represent only 8 percent of all Medicare Part D enrollees but they account for 20 percent of all program prescriptions and 40 percent of all Part D spending. Most would assume seniors in this category utilize high-quality generic drugs whenever possible. But this is not the case.

Nearly nine in ten (88 percent) of prescriptions dispensed in the U.S. are generic drugs but the LIS program has historically lagged behind national rates. That means there

is an opportunity for millions of the neediest seniors to be spending less money on their medicines and the program could be saving more money, too. In fact, the Congressional Budget Office estimates changing the LIS co-pay structure to incentivize the use of more generics would save \$18.8 billion over 10 years.

It is time for Congress to approve legislation to modify the Medicare Part D program to encourage the use of generic medicines in the LIS population. Now, more than ever, Americans are looking to Washington for answers to problems in our health care system. It's time to start showing them some results.

The Generic Pharmaceutical Association is proposing five concrete policy prescriptions, including this one—encouraging access to generics for LIS beneficiaries—that policymakers can enact today to spur competition and bring more safe, effective and affordable generic drugs within reach for millions of Americans.