

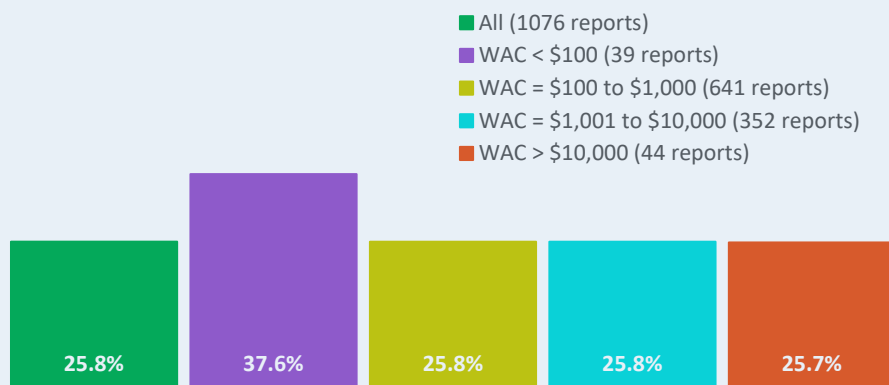
# 2019 Q1 and Q2 Reporting

## Prescription Drug Wholesale Acquisition Cost (Wholesale Cost)

### 3-Year Median Percent Increase (January 2017 through June 2019)

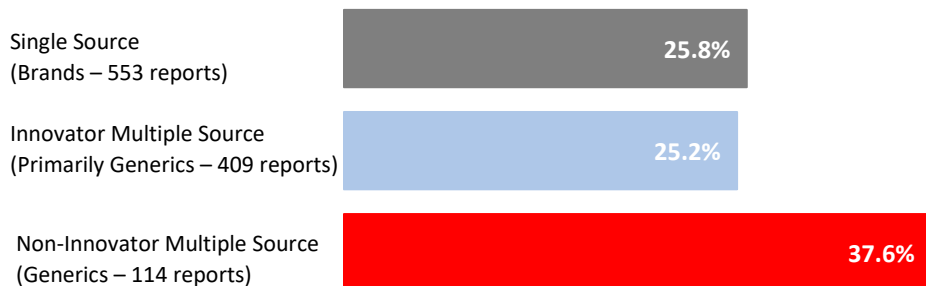
The 3-year median increase in wholesale cost remained unchanged at 25.8% for all 2019 reports inclusive of the 56 reports submitted in Q2.

#### Percent Increase by WAC



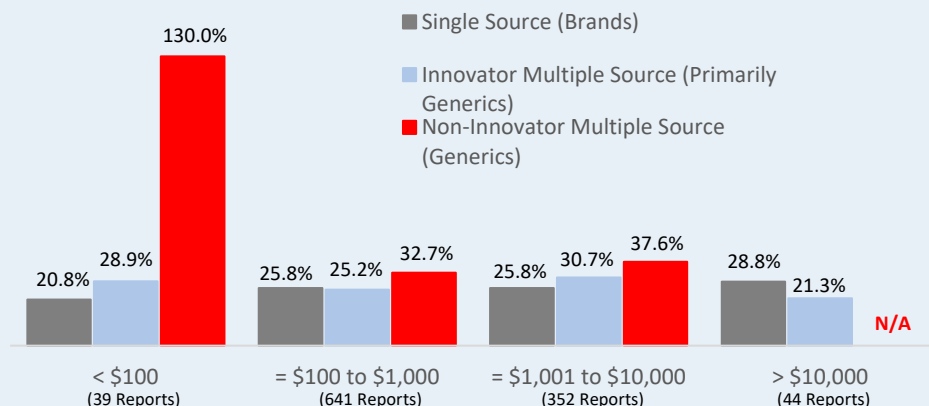
- 25.8% 3-year median increase in wholesale cost for all reports, equivalent to 8% annual increase while the nation experienced 2% annual inflation for the same period.
- Drugs with wholesale costs less than \$100 (least expensive) experienced the highest wholesale cost increases (37.6% 3-year median increase).

#### Percent Increase by Drug Source Type



- Non-innovator multiple source drugs (generics) had the largest 3-year median increase (37.6%) 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 130.0%, was at least four times more than that of any other reported category by drug source type and wholesale cost. 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 (28.8%) 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 two-thirds (72%) 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. The dataset includes all complete reports submitted by manufacturers for Q1 and Q2 2019, including reports that do not meet the specified minimum thresholds for reporting.