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HEALTHCARE SUPPLY CHAIN ASSOCIATION (HSCA) STATEMENT ON GOVERNMENT ACCOUNTABILITY OFFICE (GAO) REPORT ON GENERIC DRUG PRICE SPIKES

Washington, DC (September 13, 2016) – Healthcare Supply Chain Association ([HSCA](#)) President and CEO Todd Ebert, R.Ph., today released the following statement on the Government Accountability Office (GAO) [report](#), *Generic Drugs Under Medicare: Part D Generic Prices Declined Overall, but Some had Extraordinary Price Spikes*:

“Significant price spikes for some generic drugs jeopardize patient access to affordable healthcare and drive up costs for patients, providers, Medicare and American taxpayers. The [new GAO report](#) affirms what healthcare group purchasing organizations hear both from our healthcare provider members and from generic drug manufacturers: Competition in the generic drug market is critical to mitigating price spikes; a broad range of factors, including access to active ingredients, production complexity, and supplier consolidation affect competition; and a reduction in the FDA backlog of abbreviated new drug applications (ANDAs) could increase competition in the market.

“The FDA backlog for abbreviated new drug applications and its median review time for product approval have consistently grown – from 30 months prior to 2011, to 36 months in 2013, to an estimated 42 months in 2014. A three- or four-year wait time stifles the ability of manufacturers who want to introduce competition in the generic market.

“HSCA and its members [consistently advocate](#) for policy solutions that reduce costs, increase competition, and remove barriers to market entry. We [support](#) the “Increasing Competition in Pharmaceuticals Act” (S.2615), bipartisan legislation that would mandate FDA priority review of ANDAs for products with only one manufacturer. Congress should also consider mandating priority review for generic injectable drugs with two or fewer manufacturers and in instances where there have already been price spikes of a certain percentage. Specifically, we urge Congress to mandate FDA priority review of an ANDA in instances where the market price of an existing product increases at a rate of more than five times the percent change that occurred in the Prescription Drugs Index of the Consumer Price Index for the previous year.”

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HSCA MEMBER COMPANIES





About the Healthcare Supply Chain Association (HSCA)

The Healthcare Supply Chain Association ([HSCA](http://www.supplychainassociation.org)) represents the nation's leading healthcare group purchasing organizations (GPOs), which are critical cost-savings partners to America's hospitals, nursing homes, nursing home pharmacies, clinics, home healthcare providers and surgery centers. GPOs deliver billions in savings annually to healthcare providers, Medicare and Medicaid, and taxpayers. HSCA and its member GPOs are committed to delivering the best products at the best value to healthcare providers, to increasing competition and innovation in the market, and to being supply chain leaders in transparency and accountability. For more information, visit www.supplychainassociation.org. Follow HSCA on Twitter @HSCA.

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