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## GPhA Applauds Bipartisan Effort to Lower Drug Costs Through Greater Use of Affordable Generic Medicines

WASHINGTON, D.C. (JULY 15, 2011) – The Generic Pharmaceutical Association (GPhA) today praised U.S. Senators Scott Brown (R-Mass.), Ron Wyden (D-Ore.) and John McCain (R-Ariz.) for introducing bipartisan legislation that would incentivize states to take advantage of the enormous savings that can be achieved through greater use of generic pharmaceuticals.

Because the federal government pays states a portion of the cost of prescription drugs they purchase through Medicaid, the government can save hundreds of millions of dollars each year as the use of less costly generic drugs increases. The Affordable Medicines Utilization Act of 2011 would give states a share of the savings the federal government would receive through greater generic use.

“This legislation is exactly the kind of solution those in Washington should look to when searching for ways to rein in our country’s health care spending,” GPhA Executive Director Bob Billings said. “GPhA applauds the Senators’ recognition that the greater use of generic medications is a safe and effective way to reduce costs while providing patients with the same quality care they have come to rely on.”

GPhA has long maintained that reducing government overspending in Medicare and Medicaid is an integral part of reducing U.S. health care costs.

For example, in 2010 Medicaid paid on average approximately \$200 for each monthly brand prescription, compared to just \$20 for a month’s prescription in the generic version, according to data from the Centers for Medicare and Medicaid Services. By increasing generic utilization in Medicaid by just one percentage point, the government and taxpayers would save more than \$500 million.

With states and the federal government struggling to cut costs across the board, it is clear that safe, effective and affordable generic medicines are a vital part of the solution to reducing spending. GPhA applauds the Affordable Medicines Utilization Act of 2011 as an important step toward reaching this goal.

*GPhA represents the manufacturers and distributors of finished generic pharmaceuticals, manufacturers and distributors of bulk pharmaceutical chemicals, and suppliers of other goods and services to the generic industry. Generic pharmaceuticals fill 78 percent of the prescriptions dispensed in the U.S. but consume just 25 percent of the total drug spending. Additional information is available at [gphaonline.org](http://gphaonline.org).*

