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## IMS Study Reveals Drug Shortages in U.S. Disruptive Yet Narrowly Concentrated

### ***Generic Injectable and Oncology Drugs Represent Largest Share of Shortages; New Early Warning System, More Rigorous Monitoring Recommended to Maintain Supply***

PARSIPPANY, NJ, Nov. 14, 2011 – Current drug shortages in the U.S., while disruptive and of increasing concern to patients, clinicians and policymakers, are limited primarily to generic injectables and a few key disease areas, according to an [IMS Institute for Healthcare Informatics](#) study released today. The new study, [Drug Shortages: A Closer Look at Products, Suppliers and Volume Volatility](#), offers a comprehensive examination of drug shortages and recommends that healthcare stakeholders work toward the creation of an early warning system to minimize future patient care disruptions.

“Patients throughout the U.S., including hundreds of thousands being treated for cancer, may be at risk of treatment disruption due to drug shortages,” said [Murray Aitken, executive director, IMS Institute for Healthcare Informatics](#). “Understanding the nature of these medicines, their suppliers and the supply volume dynamics – and focusing sharply on the market and supply chains that are most impacted – are essential to formulating meaningful solutions to this complex, and often misunderstood, issue.”

Among the report’s findings:

- **The drug shortage problem is highly concentrated.** More than 80 percent of products impacted are generics, and more than 80 percent are injectables. While representing a small part of the overall medicines market, affected products include a number of critical drugs used to treat cancer, infection, cardiovascular disease, central nervous system conditions and pain. Oncology drugs make up 16 percent of the products in short supply.
- **The shortages involve a large number of suppliers, yet most drugs in short supply have only one or two manufacturers.** More than 100 companies supply 168 products included on the shortages lists compiled by the U.S. Food and Drug Administration and American Society of Health-System Pharmacists. However, 51 percent of those products have only one or two suppliers. Thirteen companies have stopped supplying products on the shortages lists within the past two years. This leaves a growing number of products open to possible production disruptions that cannot be offset rapidly by other manufacturers.
- **Total supply volume for many impacted products has been stable or growing – yet significant volatility exists among suppliers.** The total monthly supply volume for all products on the shortages lists has increased 4 percent over the past five years. And, for more than half of the listed drugs, total supply is relatively stable or has increased. However, there are recent signs of increased volatility in the month-to-month supply of impacted products by specific suppliers, resulting in disruption to providers.
- **For a group of 75 drugs, supply volume has fallen substantially.** A subset of products has experienced supply declines of more than 20 percent in recent months, compared with a three-year base period ending in 2009. The per-capita supply of injectables has fallen more than 30 percent in 13 states, suggesting significant treatment protocol disruption for patients.
- **The IMS Institute recommends that the FDA or healthcare industry establish an early warning system to improve drug supply monitoring.** This system should include a volatility index, risk identification, demand forecasting and predictive modeling.

“Healthcare stakeholders involved in the supply chain can best tackle this issue by working together in a focused manner,” said Aitken. “With targeted structural improvements and an early warning system in place, patients will have greater assurance that their treatments will not be disrupted.”

A webinar presenting further details of the IMS Institute report will be held today, November 14, at 12 PM ET. To access the webinar, [click here](#) (<https://www302.livemeeting.com/cc/imshealth/join?id=NK5BT5&role=attend&pw=b%3APh5qx>). The full report and a replay of the webinar will be available at [www.theimsinstitute.org](http://www.theimsinstitute.org). The study was produced independently as a public service, without industry or government funding.

#### **About the IMS Institute for Healthcare Informatics**

The IMS Institute for Healthcare Informatics provides key policy setters and decision makers in the global health sector with unique and transformational insights into healthcare dynamics derived from granular analysis of information. It is a research-driven entity with a worldwide reach that collaborates with external healthcare experts from across academia and the public and private sectors to objectively apply IMS's proprietary global information and analytical assets. More information about the IMS Institute can be found at: [www.theimsinstitute.org](http://www.theimsinstitute.org).