Pharma is gaming the system using "pay-to-delay" tactics to keep generic drugs off the market

DRUG MAKERS ARE CUTTING BIG DEALS AT THE COST OF CONSUMERS

Brand-name pharmaceutical companies can **delay generic lower cost drugs from entering the market** by paying generic drug makers to hold their more affordable product from the market for a certain period of time. **"Pay-to-delay"** agreements have arisen as part of patent litigation settlement agreements between brand-name and generic companies.

EXAMPLE:

Teva the maker of Provigil paid **300 million dollars** to four generic manufacturers, so they would stay off the market for six years.

"Pay-to-delay" agreements are only beneficial for pharma: brand-name pharmaceutical prices stay high, so both the brand name and generic companies can both share the profits.

Consumers miss out on generic prices that can be as much as 90% less than brand prices.

EXAMPLE:

Revlimid is increased in price by **over 50%** and is now priced at **$125,000 a year** vs. generic.

Deals like these cost Americans about **3.5 billion dollars** every year of higher health care costs.

What Can Be Done?

California Assembly Bill 824, authored by **Assemblyman Jim Wood**, will help to bring more generic drugs into the marketplace and improve the affordability of prescription drugs by giving the Attorney General greater tools to crack down on Pharma's pay-to-delay schemes.