

# Executive summary

**Our net prices declined for the sixth year in a row in 2022.** Unfortunately, the reality for millions of patients is growing affordability and health equity gaps caused by underinsurance and inadequate insurance benefit design driven by middlemen, including pharmacy benefit managers.

## 1 Net prices for our medicines have declined for the sixth year in a row.

**-3.5%** **Average net price decline** of Janssen medicines in 2022 (compared to the 9.1% rise in consumer prices over the year ended June 2022).<sup>1,2</sup>

## 2 Rebates and discounts to commercial insurers, PBMs and government programs have grown.

**\$39B** Total amount Janssen paid in **rebates, discounts and fees** to commercial insurers, government programs and others in the healthcare system in 2022.<sup>1</sup>

## 3 Insurance benefit design shifts more costs to sicker patients.

**32%** Of covered U.S. workers face an **annual deductible above \$2,000**.<sup>3</sup>

**23%** Of Americans are **considered underinsured**.<sup>4</sup>

## 4 Our investments in R&D continue to grow.

**\$11.6B** Dedicated in 2022 to the **discovery and development of new treatments and cures**.<sup>1</sup>

**110%** Janssen spent **110% more on R&D** than on sales and marketing in 2022.<sup>1</sup>

### 2022 Rebates, discounts & fees by channel<sup>1</sup>

Percent = average off list price

VA/DOD	<b>\$1.6B</b> 57%
Medicaid	<b>\$3.8B</b> 53%
Medicare (Part D & donut hole)	<b>\$5.1B</b> 48%
340B Program	<b>\$6.2B</b> 62%
Commercial market	<b>\$11.2B</b> 44%

1. Figure according to Janssen internal financial accounting.

2. Bureau of Labor Statistics, "Consumer prices up 9.1 percent over the year ended June 2022, largest increase in 40 years." TED: The Economics Daily, July 18, 2022. <https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm>. Accessed February 2023.

3. Kaiser Family Foundation, "2022 Employer Health Benefits Survey." October 27, 2022. <https://www.kff.org/report-section/ehbs-2022-summary-of-findings>.

4. Sara R. Collins, Lauren A. Haynes, and Relebohile Masitha, "The State of U.S. Health Insurance in 2022." Commonwealth Fund Biennial Health Insurance Survey, The Commonwealth Fund, <https://www.commonwealthfund.org/publications/issue-briefs/2022/sep/state-us-health-insurance-2022-biennial-survey>. Accessed February 2022.