

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)^{1,2}

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 2022¹

3 Insurance Benefit Design Shifts More Costs to Sicker Patients

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

23% Of Americans are **considered underinsured**⁴

4 Our Investments in R&D Continue to Grow

\$11.6B Dedicated in 2022 to the **discovery and development of new treatments and cures**¹

110% Janssen spent **110% more on R&D** than on sales and marketing in 2022¹

2022 Rebates, Discounts & Fees by Channel¹

Percent = average off list price

VA/DOD **\$1.6B**
57%

Medicaid **\$3.8B**
53%

Medicare (Part D & Donut Hole) **\$5.1B**
48%

340B Program **\$6.2B**
62%

Commercial Market **\$11.2B**
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.