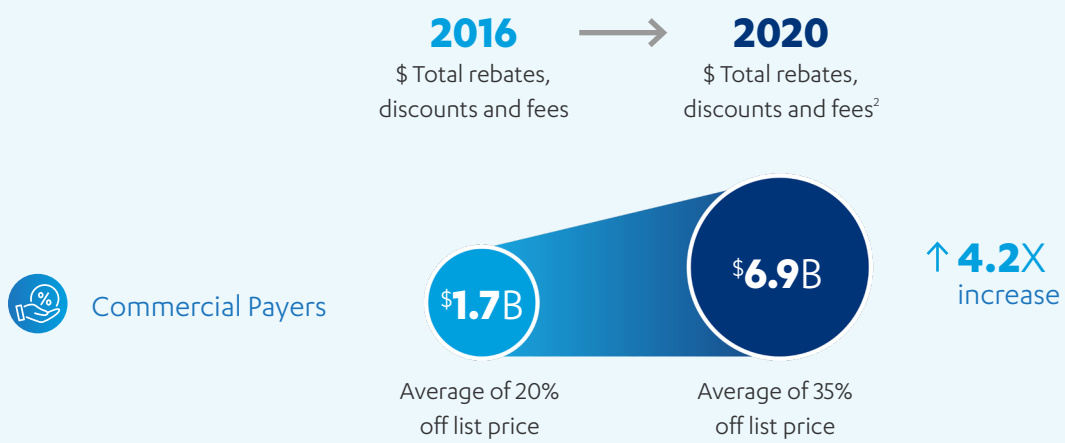
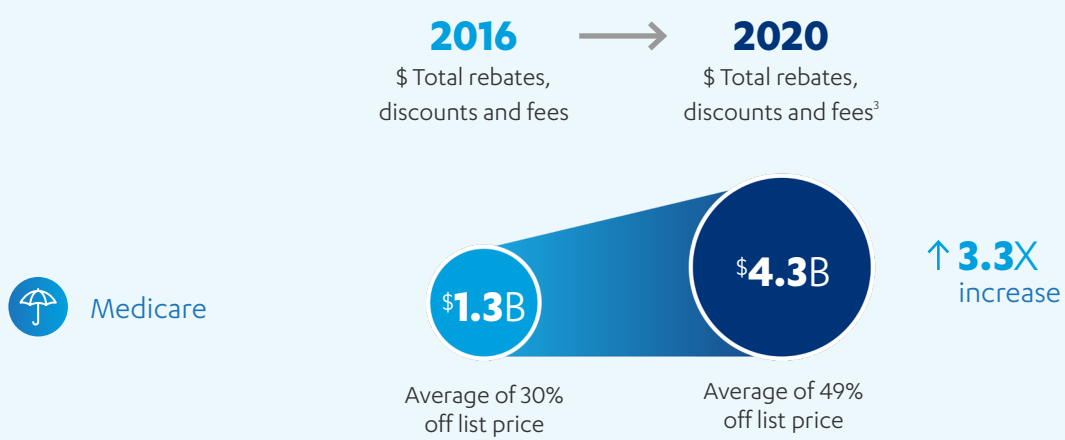


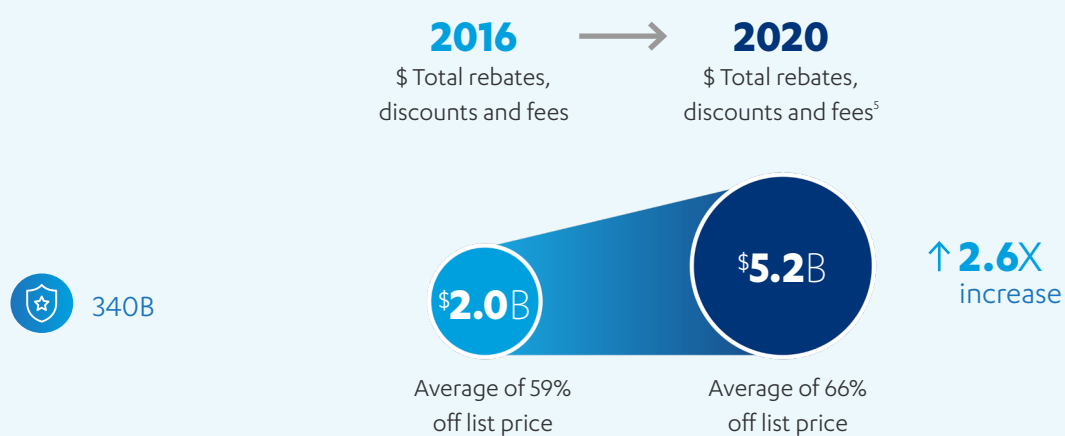
OUR GROWING DISCOUNTS TO COMMERCIAL PAYERS AND GOVERNMENT PROGRAMS¹



We provide U.S. government programs with substantial discounts. At the state level, discounts to Medicaid reflect not only competition and statutory discounts, but also the extra, “supplemental,” discounts we and other manufacturers negotiate with individual states.



In recent years, the 340B Program has expanded at double-digit rates.⁴ The 340B Drug Discount Program is intended to increase access to medicines for needy patients. The program requires drug manufacturers to provide steep discounts on outpatient drugs to certain healthcare providers.



References

1. Figure According to Janssen Internal Financial Accounting.
2. Ibid.
3. Ibid.
4. Fein, A. “340B Program Purchases Reach \$24.3 Billion—7%+ of the Pharma Market—As Hospitals’ Charity Care Flatlines.” *Drug Channels*. May 14, 2019. <https://www.drugchannels.net/2019/05/exclusive-340b-program-purchases-reach.html>.
5. Figure According to Janssen Internal Financial Accounting.