

# EXECUTIVE SUMMARY

As a nation, we have a chance to turn the lessons of 2020 into lasting change for our health system to drive further progress to a more equitable system. While redesigning healthcare delivery and redirecting resources away from ineffective, wasteful care is challenging, we can and must, continue to seek solutions that benefit all of our communities. Because doing so means improving patients' health, saving lives and creating a stronger, healthier society.

## OUR PRIORITY: AFFORDABLE ACCESS FOR PATIENTS

### OUR NET PRICES ARE DECREASING

**-5.7%**  
Average net price decline of Janssen medicines in 2020<sup>1</sup>

**\$29.4B**  
Total amount Janssen paid in rebates, discounts and fees to payers and others in the health system in 2020<sup>2</sup>

**-14.4%**  
Compound net price decline of Janssen medicines since the beginning of 2016<sup>3</sup>

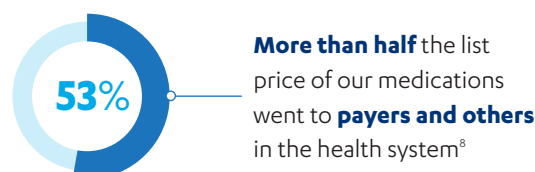
### OUR DISCOUNTS ARE GROWING\*

**3.3X**  
Medicare<sup>4</sup>

**2.2X**  
Medicaid<sup>6</sup>

**4.2X**  
Commercial health plans and PBMs<sup>5</sup>

**2.6X**  
340B providers<sup>7</sup>



\*By channel, growth rate in dollars of discounts provided, 2016-2020. For more detail, including discount rates, see pages 7-8 of the 2020 Janssen U.S. Transparency Report.

### BUT PATIENTS' COSTS ARE RISING

**111%**  
Average deductible amount increase for employer-sponsored insurance from 2010 (\$646) to 2020 (\$1,364)<sup>9</sup>

**17%**  
According to a study, increase in annual ER visits when co-pays are doubled for patients taking certain medications<sup>10</sup>

### THROUGHOUT COVID-19, WE HAVE SUPPORTED PATIENTS

Nearly **1.2 million** patients helped with access, affordability and treatment support through the Janssen CarePath Savings Program<sup>11</sup>

**646,000** commercially insured patients reduced their out-of-pocket costs through the Janssen CarePath Savings Program<sup>12</sup>

## OUR FOCUS: CREATING A FUTURE WHERE DISEASE IS A THING OF THE PAST

**\$9.6B** In 2020, we invested **\$9.6 billion in R&D**<sup>13</sup>—more than twice (106%) what we spent on marketing and sales.<sup>14</sup>

Our R&D investment has **increased an average of 8.1%** for the past five years.<sup>15</sup>

**\$42B** Since 2016, we've invested **\$42.2 billion in R&D**<sup>16</sup>—86% more than we've spent on marketing and sales.<sup>17</sup>

When the pandemic struck, past R&D investment meant Janssen had a **ready technology platform to develop our COVID-19 vaccine**.

## WHAT WE STAND FOR: POLICIES PUTTING PATIENTS FIRST

When we offer policy solutions and/or assess policy proposals, the following principles guide our thinking:

<p>Patients should have <b>affordable access to appropriate treatment options</b> and sites of care</p>	<p>Treatment decisions <b>belong in the hands of patients</b> and their healthcare providers</p>	<p>Clinically stable <b>patients should not be switched from their treatments for non-medical reasons</b> (unless deemed substitutable by the FDA)</p>	<p>Appropriate <b>clinical rigor and manufacturing quality standards</b> should be applied in all instances to ensure patient safety</p>
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We believe the healthcare system should support these principles by:

<p>Maintaining a <b>fair and competitive</b> marketplace</p>	<p>Fostering an environment that <b>supports future investment in innovation</b></p>	<p>Ensuring <b>responsible pricing and appropriate transparency</b> system-wide</p>	<p>Determining value based on evidence that <b>incorporates the benefits and risks</b> for patients, the healthcare system and society</p>
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Visit [janssen.com/ustransparencyreport](https://janssen.com/ustransparencyreport) to view the complete 2020 Janssen U.S. Transparency Report

References

- Figure According to Janssen Internal Financial Accounting.
- Ibid.
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- The Henry J. Kaiser Family Foundation. "2020 Employer Health Benefits Survey." October 8, 2020. <http://files.kff.org/attachment/Report-Employer-Health-Benefits-2020-Annual-Survey.pdf>
- Jarvis, D. "How Are We Going to Get Paid Tomorrow? Emerging Models for Health and Behavioral Healthcare Working Draft." *The College for Behavioral Health*. March 18, 2020. [https://www.leaders4health.org/wp-content/uploads/2020/02/Jarvis\\_Getting\\_Paid.pdf](https://www.leaders4health.org/wp-content/uploads/2020/02/Jarvis_Getting_Paid.pdf).
- Data are an approximate number of patients supported by Janssen CarePath provided by the program administrator.
- Ibid.
- Johnson & Johnson, FY20-Q4 Form 10-K for the period ending January 3, 2021 (filed February 22, 2021).
- Figure According to Janssen Internal Financial Accounting.
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- Johnson & Johnson, FY20-Q4 Form 10-K for the period ending January 3, 2021 (filed February 22, 2021), FY19-Q4 Form 10-K for the period ending December 29, 2019 (filed February 18, 2020), FY18-Q4 Form 10-K for period ending December 30, 2018 (filed February 20, 2019), FY17-Q4 Form 10-K for period ending December 31, 2017 (filed February 21, 2018). FY16-Q4 Form 10-K for period ending January 1, 2017 (filed January 24, 2017).
- Figure According to Janssen Internal Financial Accounting.

