

The Value of OTC Medicine to the United States

Over-the-counter (OTC) medicines: Providing solutions for America's healthcare challenges

The availability of over-the-counter (OTC) medicines enables the healthcare system to utilize its limited resources on the diagnosis and treatment of more serious diseases and medical conditions that necessitate healthcare provider (HCP) involvement, while at the same time providing safe, effective, and accessible treatment for a range of conditions to consumers and their families.

For millions of Americans, over-the-counter (OTC) medicines are a trusted and affordable way to get well, stay well, and feel well:

- Without OTC medicines, **90 percent** of consumers would seek professional medical treatment for minor ailments, causing an unnecessary burden on the healthcare system.
- The availability of OTC medicines – off-the-shelf, without a prescription – provides relief for an estimated **27 million** people who otherwise would not seek treatment.
- By keeping the American workforce healthy and at work, OTC medicines offer **\$34 billion** in potential productivity benefits from avoided doctor's office visits and time not having to be away from work for medical appointments.

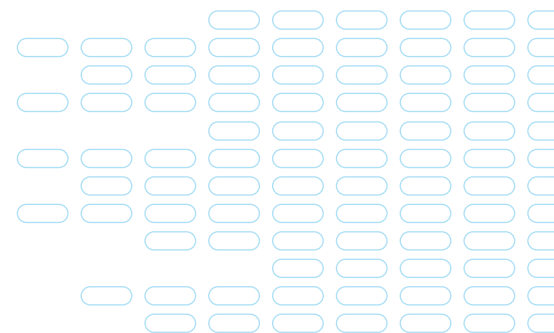


OTC medicines save the U.S. healthcare system billions annually:

- The availability of OTC medicines leads to **\$146 billion** in annual savings relative to alternatives. OTC medicines provide two key sources of avoided cost:
 - Nearly **\$95 billion** in clinical cost savings (avoided doctor's office visits and diagnostic testing); and
 - Nearly **\$52 billion** in drug cost savings (lower-priced OTCs versus higher-priced prescription drugs).
- For every dollar spent on OTC medicines, the U.S. healthcare system saves **\$7.20**.
- In addition to the **\$146 billion** in savings OTC medicines help generate, OTC medical devices used for the purposes of treatment (e.g., muscle simulators, foot comfort, heat/ice packs, etc.) and testing (e.g., pregnancy tests, blood glucose monitor, blood pressure monitor, etc.) generate additional value of approximately **\$8 billion**.

The total value of OTC medicines is captured throughout the entire U.S. healthcare system:

- **\$73.6 billion** in value for commercial plans (e.g., employer-sponsored health plans)
- **\$47 billion** in value for government programs (\$30.1 billion from Medicare and \$16.9 billion from Medicaid)
- **\$25.8 billion** in value for those paying cash for healthcare expenses (e.g., the uninsured population or those who would pay out-of-pocket for high deductible plans)



About the Study

- This study examines the value of OTC medicines in nine categories relative to potential alternatives, such as consultations with healthcare professionals for self-recognizable symptoms and/or prescription medicines.
- In addition to consulting published data sets and economic modeling, the research firm surveyed 5,000+ consumers on how they would treat symptoms if OTC medicines did not exist. Prescription drug costs were sourced from Symphony Health.

- The nine categories include the most common acute and chronic, self-treated conditions representing the majority of OTC medicine purchases: allergy, analgesics (treatment of pain), antifungals, cough/cold/flu, lower and upper gastrointestinal, medicated skin, sleep aids, and smoking cessation. The study also evaluated OTC medical devices used for treatment and testing (e.g., muscle simulators, foot comfort, heat/ice packs, pregnancy tests, etc.).

- This study was conducted by IRI and funded by the Consumer Healthcare Products Association (CHPA).

- For infographics, video, the White Paper Report, and other materials regarding this research, visit www.overthecountervalue.org

The Consumer Healthcare Products Association (CHPA) is the 138-year-old-trade association representing U.S. manufacturers and distributors of over-the-counter medicines and dietary supplements. www.chpa.org.

