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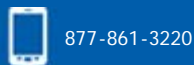
## Pharmacy Cost Growth Slows

According to a report that appears in the January issue of Health Affairs from the Center for Medicare Office of Actuary, retail prescription drug spending grew only 0.4% in 2012 and was by far the slowest growing part of overall national health expenditures, which rose at an annual rate of 3.7%. This modest growth is in large part due to numerous drugs losing their patent protection and increased sales of lower-priced generics, observed CMS. Total expenditures on outpatient prescription drugs were \$263.3 billion in 2012 representing an increase of 0.4% from 2011 when prescription drug spending rose 2.5%.

According to the report, "this successful cost control is consistent with data demonstrating that savings from generic medicines are at an all-time high, reaching \$217 billion in 2012 and \$1.2 trillion over the most recent decade." Meanwhile, Medicare spending, which represented 20% of national health expenditures, grew 4.8% - compared with 5% in 2011 - to \$572.5 billion, despite a large uptick in enrollment, said CMS.

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