

CHARTIS TOP READS

Critical drug shortages in the US: Analyzing the causes, impact, and potential solutions

Week of July 14 - July 20, 2024

| JUL 19, 2024

<https://www.chartis.com/insights/critical-drug-shortages-us-analyzing-causes-impact-and-potential-solutions>

The Buzz This Week

Last month, several new reports highlighted concerns over ongoing drug shortages in the United States. U.S. Pharmacopeia reported that the number of shortages has increased over the past decade and that shortages are lasting longer. The American Society of Health-System Pharmacists shared that the current number of shortages has reached a record high since tracking began more than 20 years ago.

A decades-old problem, drug shortages have exacerbated in recent years. Some of the most notable data points from recent reports include:

- The number of drug shortages in the US stood at 323 during the first quarter of this year, up nearly 85% from 2017.
- The average shortage in 2023 lasted 3 years compared to 2 years during 2020.
- In 2023, 27 drugs in short supply had been unavailable for more than five years.
- No therapeutic class of drugs, including chemotherapy agents, antibiotics, attention deficit hyperactivity disorder drugs, pain medications, and even drugs used in hospital crash carts, has been disproportionately impacted by these more recent shortages.
- Generic drugs are disproportionately impacted, with 53% of new shortages occurring among generic sterile injectable medicines.
- Most medicines in short supply cost less than \$5, with one-third of injectables costing less than \$2 and two-thirds of solid orals costing \$3 or less.

Manufacturing and supply chain difficulties are the most frequently cited contributing factors to shortages. Taking a deeper look at the causes, low profit margins are prompting manufacturers to abandon a drug market when it's no longer worth the time to make and distribute. Group purchasing organizations' contracting practices is also contributing to shortages, and the Food and Drug Administration is currently investigating the impacts of these practices.

Surveillance, which increased during the pandemic, is causing additional strain, as inspections are finding manufacturing issues that force companies to slow down or halt production. The rate of onsite domestic inspections increased from 7,147 in 2021 to 13,305 in 2023. International manufacturers, which are a primary source of drugs and active agents for the US market, experienced a similar increase in inspection rates, exacerbating shortages further.

Why It Matters

The shortages make obtaining a range of medicines—from cancer treatments to anti-infectives—extremely difficult for a growing number of hospitals, doctors, patients, and families across the US. More than half of the cancer centers from the National Comprehensive Care Network reported a short supply of at least one drug used to treat cancer, its symptoms, or side effects. There are mixed reports about whether the shortages in chemotherapeutics have disrupted patient care, but extensive administrative work has been needed to alleviate the impact.

Julie Gralow, the Chief Medical Officer and Executive Vice President of the American Society of Clinical Oncology, testified in February, calling this “some of the worst oncology drug shortages to date.” She also emphasized the impact, saying “this crisis is forcing providers to make impossible choices, including having to decide which patients receive lifesaving and life-prolonging oncology drugs on schedule and in the established doses—and which ones won’t.”

Many commonly prescribed drugs have also faced shortages. The demand for Adderall increased by 20% from 2020 to 2021 due to online prescribing via telehealth, but manufacturing quotas only increased by 10%. Ozempic supplies are expected to run out by the end of this year. Even temporary disruptions in medication schedules could cause significant harm for patients requiring these prescriptions.

Numerous potential solutions are currently underway, with initial efforts focusing on generic drugs that are at high risk for shortages. Included among the ongoing efforts are:

- A bill from the Senate Finance Committee that aims to mitigate shortages by having Medicare pay bonuses to hospitals and physicians contracting practices can ensure adequate supplies of drugs.
- A \$500 million dollar investment from the Administration for Strategic Preparedness and Response to support active pharmaceutical ingredient manufacturing, along with research into ways to promote greater onshoring for drug manufacturing.
- Reduced restrictions from the largest manufacturers in India and China, though this change will take years for the US to accomplish.

- HHS' work toward effective long-term solutions through the development and implementation of a Manufacturer Resiliency Assessment Program and a Hospital Resilient Supply program.

Other solutions proposed by experts include the US government providing incentives to manufacturers to upgrade their facilities. Dr. William Dahut, the Chief Scientific Officer of the American Cancer Society shared that “the regulatory bodies can help signal the potential for shortages as well as help oversee the manufacturing, but without a change in the economic model shortages are likely to continue.” In the interim, at the individual hospital level, experts advise the creation of “buffer inventories” to forestall sudden shortages and manage patient needs as best as possible.

RELATED LINKS

U.S. Department of Health and Human Services:

STAT News:

Supply Chain Dive:

Editorial advisor: Roger Ray, MD, Chief Physician Executive.

Chartis Top Reads

[View All](#)

Our services

[STRATEGIC TRANSFORMATION](#)

[PERFORMANCE TRANSFORMATION](#)

[DIGITAL & TECHNOLOGY TRANSFORMATION](#)

[CHARTIS CENTERS FOR AI & STRATEGIC INTELLIGENCE](#)

[PAYER TRANSFORMATION](#)

[STRATEGIC COMMUNICATIONS & CHANGE MANAGEMENT](#)

LEARN MORE ABOUT THE AUTHOR



Meredith Deal
Senior Research Associate