

# **Prescription Drug Utilization and Cost Trends, 2009-2014**

Pension & Health Benefits Committee

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- Trends in prescriptions and costs
- 2014 costs by prescription drug type
- Specialty drug trends



# Data Specifications and Caveats

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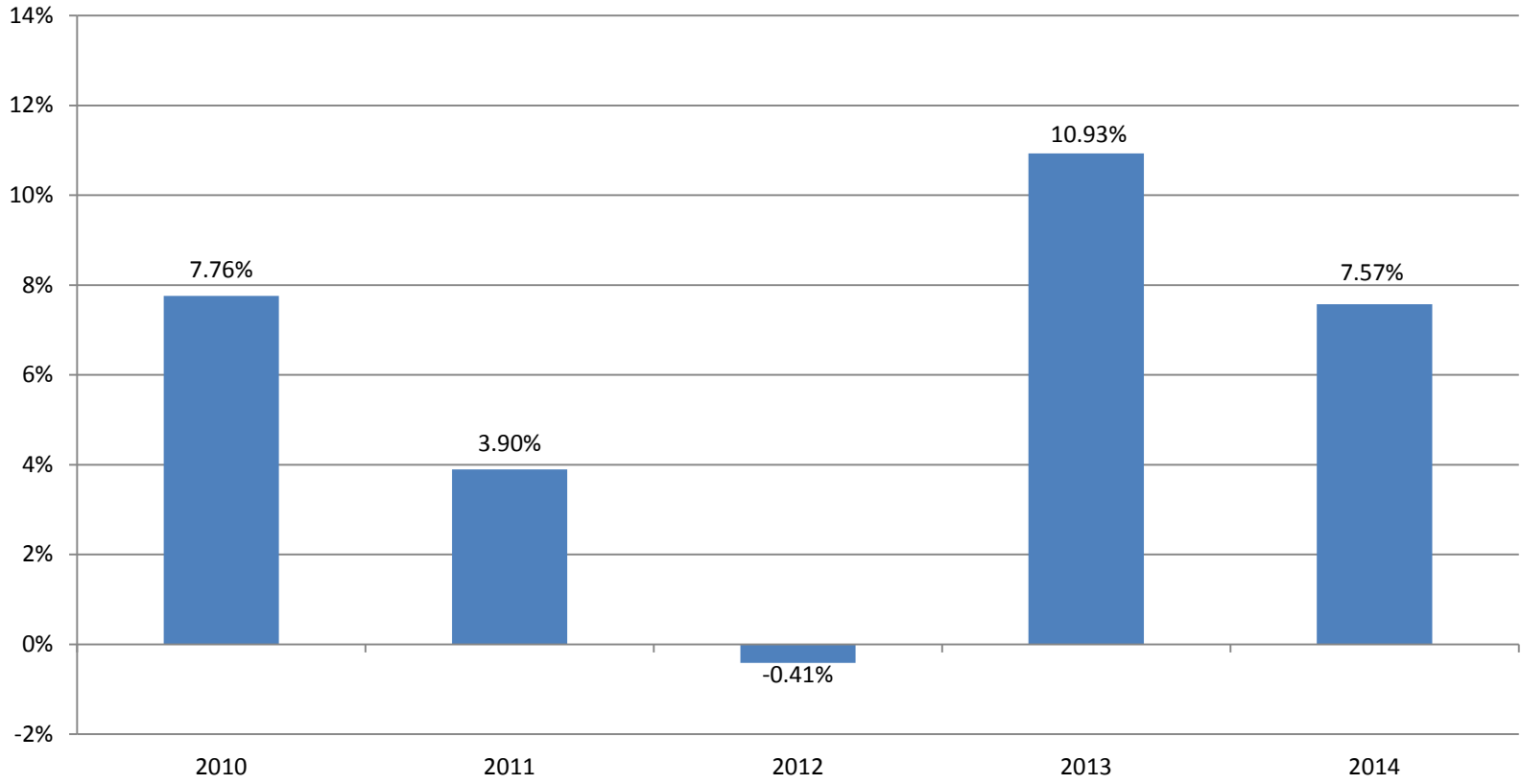
- Source of data is CalPERS Health Care Decision Support System (HCDSS).
- All CalPERS HCDSS data were transferred to a new data warehouse in 2014. The current and previous data warehouse vendors apply different methodologies of aggregating, grouping, and calculating data. The variation in the data from past presentations is due to the different methodologies of data aggregation.
- Data include Basic and Medicare plans.
- Data include members in all plans except where specified.
- From its inception in 2013, Employer Group Waiver Plans (EGWP) supplemental data are included.

# Prescription Drug Costs



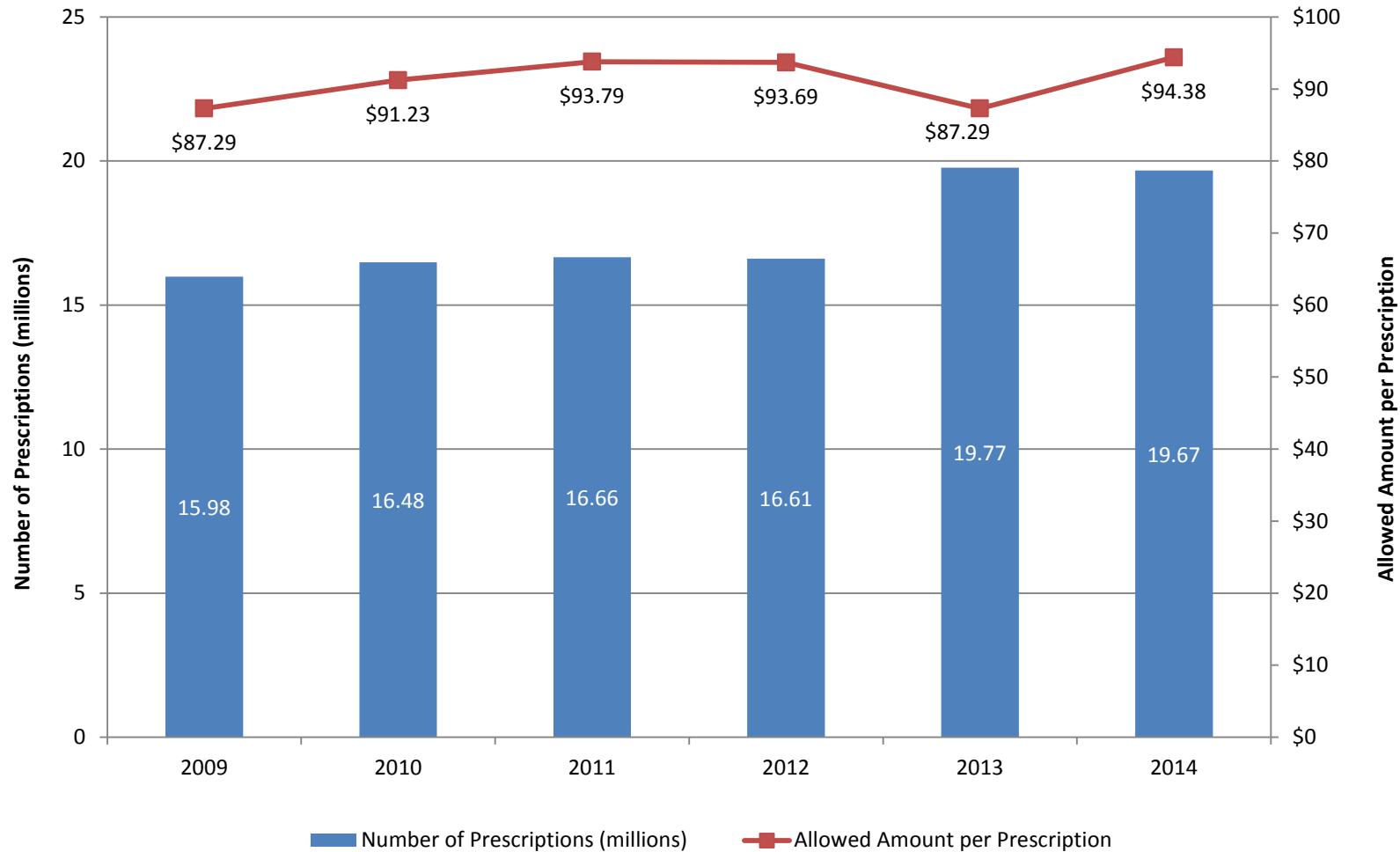


# Prescription Drug Costs – Annual Changes



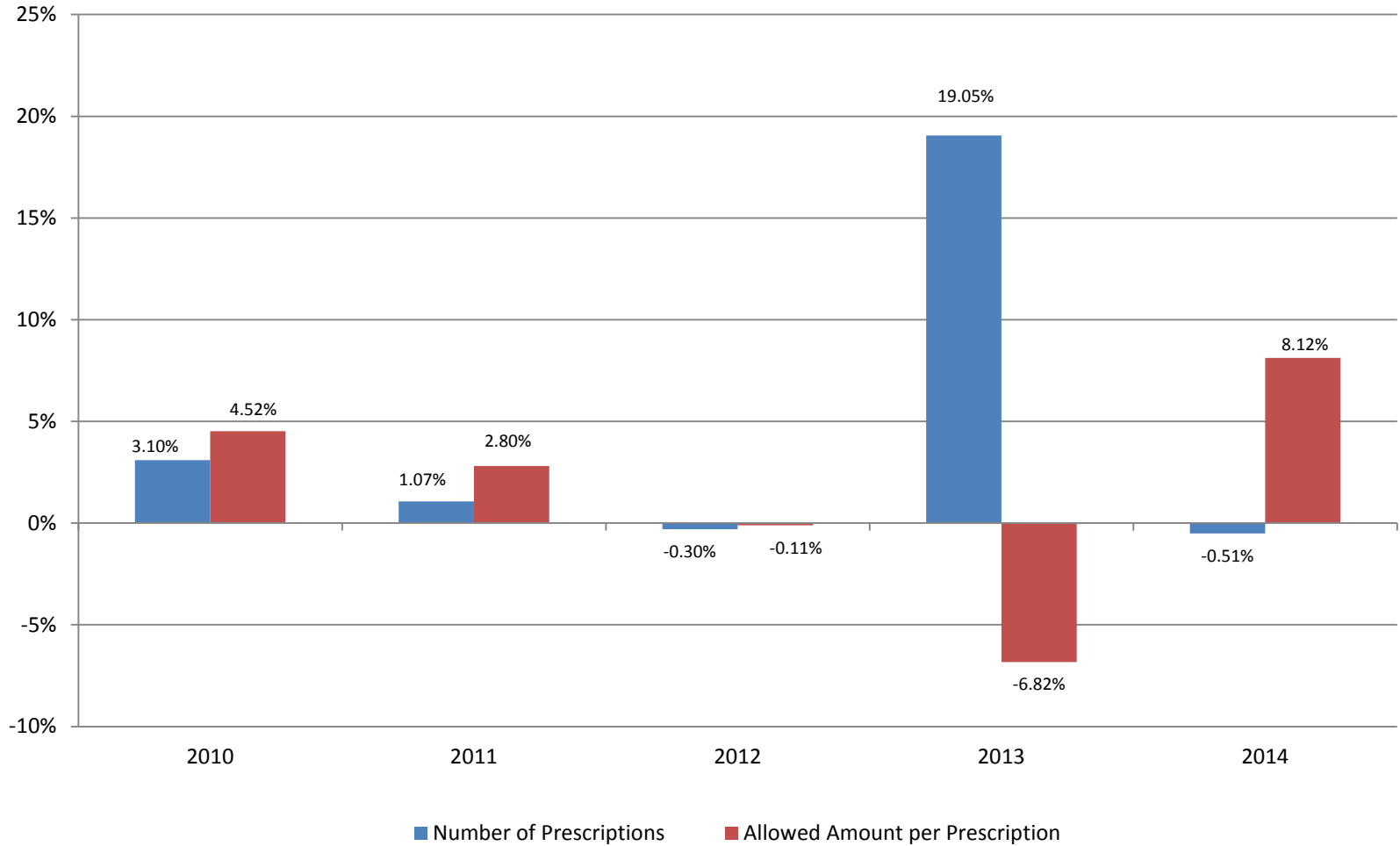


# Number of Prescriptions and Cost Per Prescription



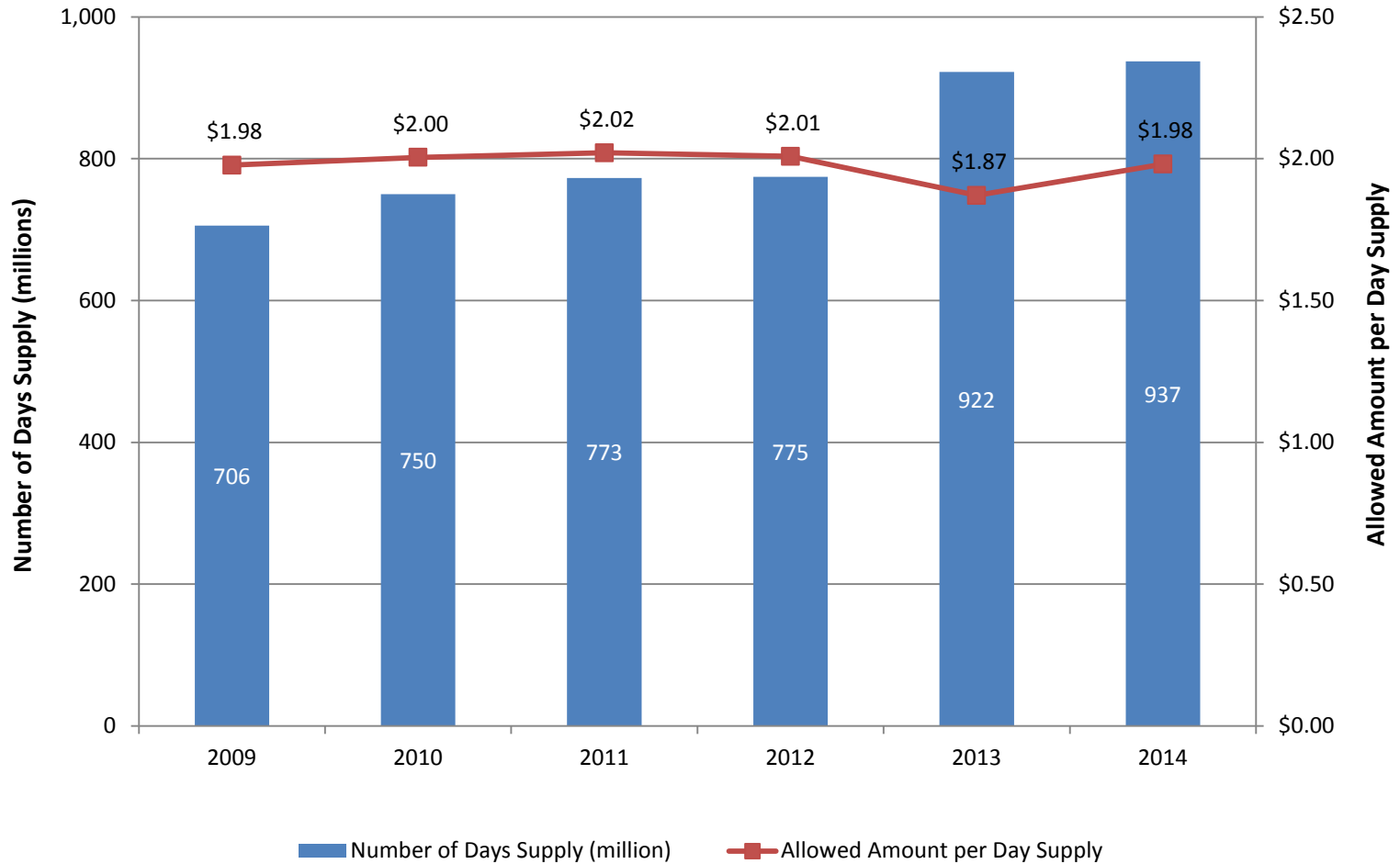


# Number of Prescriptions and Cost per Prescription - Annual Changes





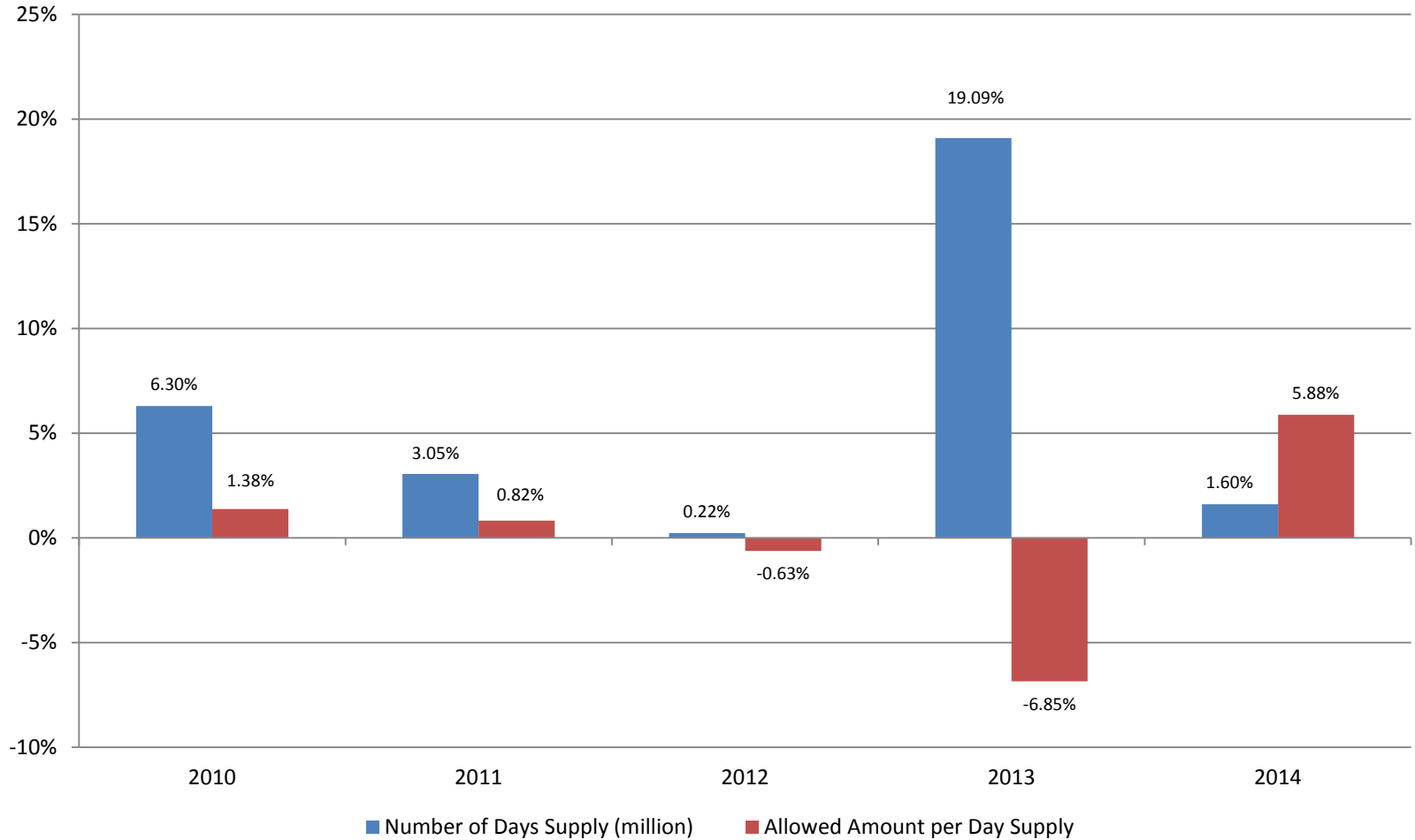
# Number of Days Supply and Cost Per Day Supply







# Number of Days Supply and Cost Per Day Supply- Annual Changes





# 2014 Costs by Prescription Drug Type

	Generic	Non-Specialty Brand		Specialty	Total
		Multi-Source	Single Source		
<b>Number of Prescriptions</b>	<b>16,081,654</b>	<b>606,334</b>	<b>2,280,794</b>	<b>150,361</b>	<b>19,119,143</b>
<b>Allowed Amount (millions)</b>	<b>\$535</b>	<b>\$165</b>	<b>\$685</b>	<b>\$438</b>	<b>\$1,823</b>
<b>Member Cost Share (millions)</b>	<b>\$98</b>	<b>\$17</b>	<b>\$67</b>	<b>\$4</b>	<b>\$185</b>
<b>Allowed Amount per Prescription</b>	<b>\$33.26</b>	<b>\$271.77</b>	<b>\$300.55</b>	<b>\$2,913.31</b>	<b>\$95.36</b>
<b>Member Cost Share per Prescription</b>	<b>\$6.11</b>	<b>\$27.61</b>	<b>\$29.17</b>	<b>\$25.53</b>	<b>\$9.70</b>
<b>Member Cost Share %</b>	<b>18.4%</b>	<b>10.2%</b>	<b>9.7%</b>	<b>0.9%</b>	<b>10.2%</b>

Totals are row total only and do not include over the counter or unspecified drugs.



# 2014 Top Ten Non-Specialty Drugs

Drug Name	Primary Indication	Allowed Amount (millions)	Percent of Total Prescription Allowed Amount	Percent of Total Non-Specialty Drugs Allowed Amount
NEXIUM	Stomach Ulcer	\$33.67	1.81%	2.37%
ABILIFY	Bipolar Disorder	\$32.97	1.78%	2.32%
ADVAIR DISKUS	Asthma	\$29.59	1.59%	2.09%
CRESTOR	High Cholesterol	\$22.89	1.23%	1.61%
DULOXETINE HCL	Depression	\$20.20	1.09%	1.42%
JANUVIA	Diabetes	\$19.03	1.03%	1.34%
ATORVASTATIN CALCIUM	High Cholesterol	\$17.46	0.94%	1.23%
SPIRIVA HANDHALER	COPD	\$17.18	0.93%	1.21%
LANTUS SOLOSTAR	Diabetes	\$17.02	0.92%	1.20%
OXYCONTIN	Pain	\$16.37	0.88%	1.15%
<b>Total Top Non-Specialty drugs</b>		<b>\$226.38</b>	<b>12.19%</b>	<b>15.96%</b>

# Specialty Drugs

	2012	2013	2014
<b>Number of Specialty Drug Prescriptions</b>	<b>81,420</b>	<b>110,480</b>	<b>150,361</b>
<b>Specialty Drug Prescriptions as a % of Total Prescriptions</b>	<b>0.49%</b>	<b>0.56%</b>	<b>0.76%</b>
<b>Specialty Drug Allowed Amount (millions)</b>	<b>\$270</b>	<b>\$332</b>	<b>\$438</b>
<b>Specialty Drug Allowed Amount as % of Total</b>	<b>17.4%</b>	<b>19.2%</b>	<b>23.6%</b>
<b>Specialty Drug Member Cost Share Amount (millions)</b>	<b>\$2.22</b>	<b>\$2.94</b>	<b>\$3.84</b>
<b>Specialty Drug Member Cost Share %</b>	<b>0.8%</b>	<b>0.9%</b>	<b>0.9%</b>

Based on 2012, 2013, and 2014 CVS/caremark Specialty Drugs lists.



# 2014 Top Ten Specialty Drugs

Drug Name	Primary Indication	Allowed Amount (millions)	Percent of Total Prescription Allowed Amount	Percent of Total Specialty Drugs Allowed Amount
ENBREL	Rheumatoid Arthritis	\$46.96	2.53%	13.53%
HUMIRA	Rheumatoid Arthritis	\$44.00	2.37%	12.68%
SOVALDI	Chronic Hepatitis C	\$43.92	2.37%	12.65%
COPAXONE	Multiple Sclerosis	\$25.21	1.36%	7.26%
REVLIMID	Cancer	\$21.22	1.14%	6.11%
GLEEVEC	Cancer	\$16.68	0.90%	4.81%
TECFIDERA	Multiple Sclerosis	\$11.78	0.63%	3.40%
OLYSIO	Chronic Hepatitis C	\$8.43	0.45%	2.43%
HARVONI	Chronic Hepatitis C	\$8.03	0.43%	2.31%
ZYTIGA	Cancer	\$7.98	0.43%	2.30%
<b>Total Top 10 Specialty Drugs</b>		<b>\$234.21</b>	<b>12.62%</b>	<b>67.48%</b>

Based on 2014 CVS/caremark Specialty Drugs list.

# Summary

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- Prescription costs continue to increase
- Rapid increase of specialty drug costs
- Evidence based pharmacy benefit management strategies are critical to stay ahead of the rapidly increasing prescription drug cost