

Prescription and Medical Pharmacy Drug Utilization and Cost Trends, 2011-2016

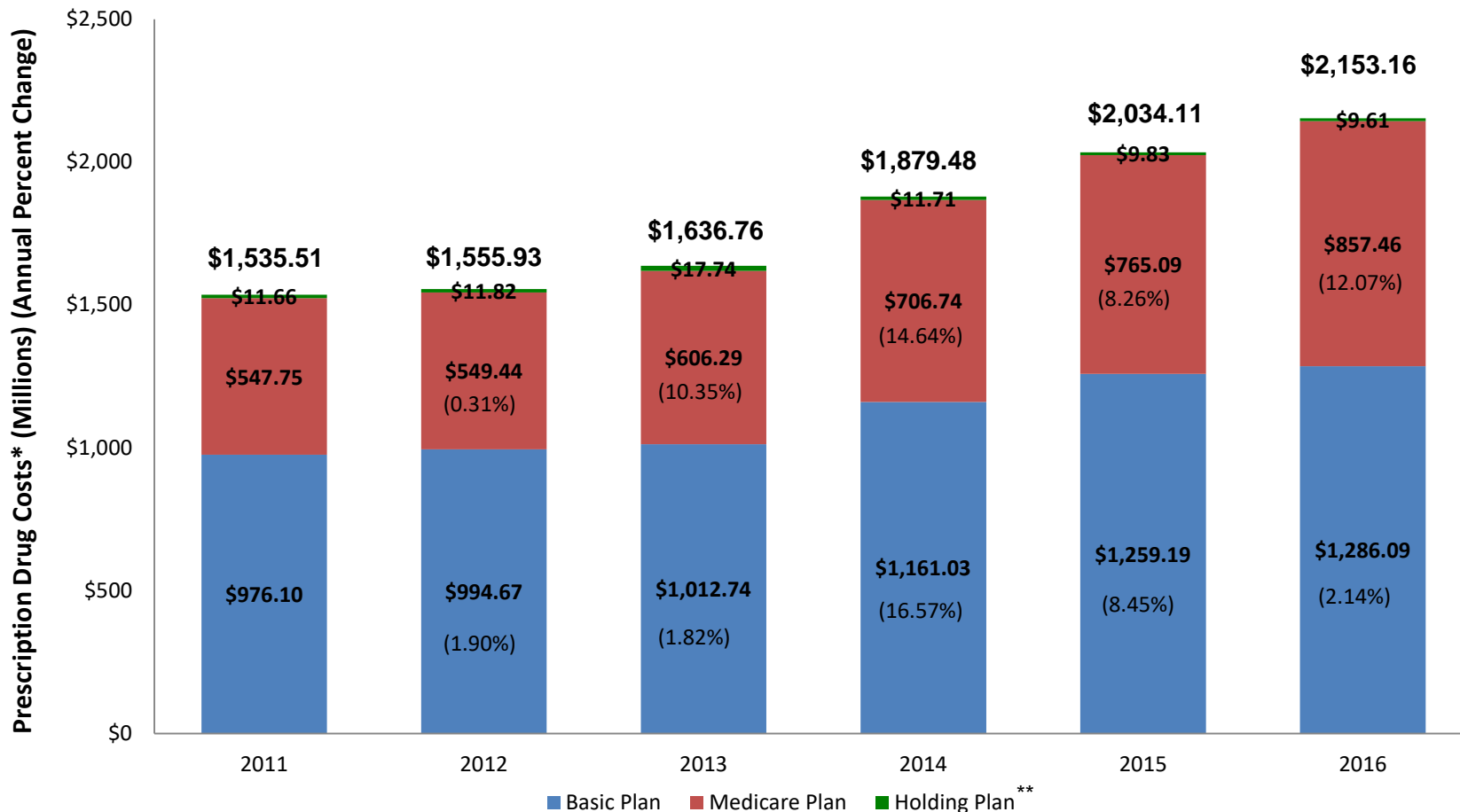
Pension and Health Benefits Committee
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CalPERS Pharmacist

- Trends in prescriptions and costs
- 2016 costs by prescription drug type - Basic
- 2016 costs by prescription drug type - Medicare
- Medical pharmacy (office-administered drugs) utilization and cost trends



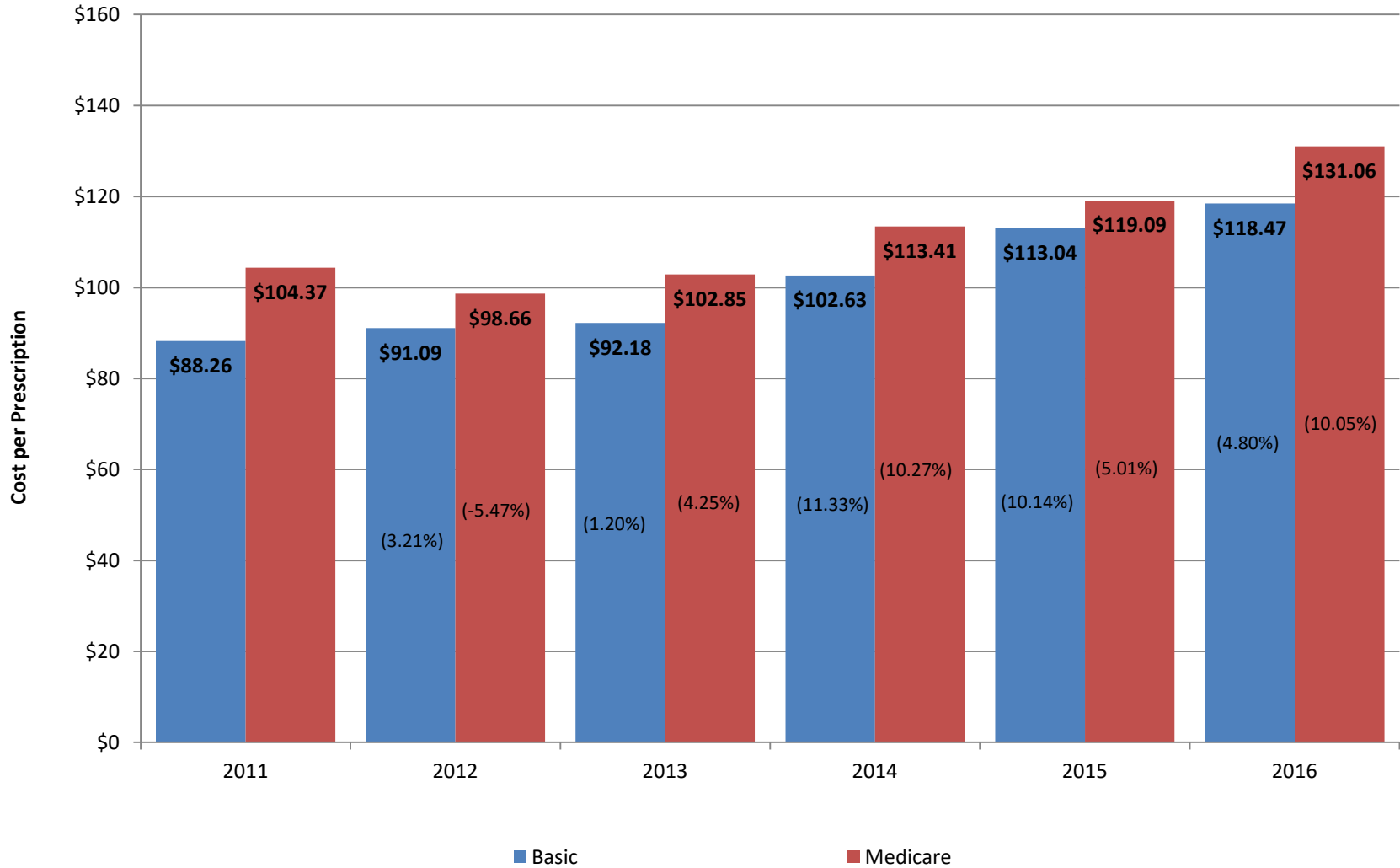
Prescription Drug Costs



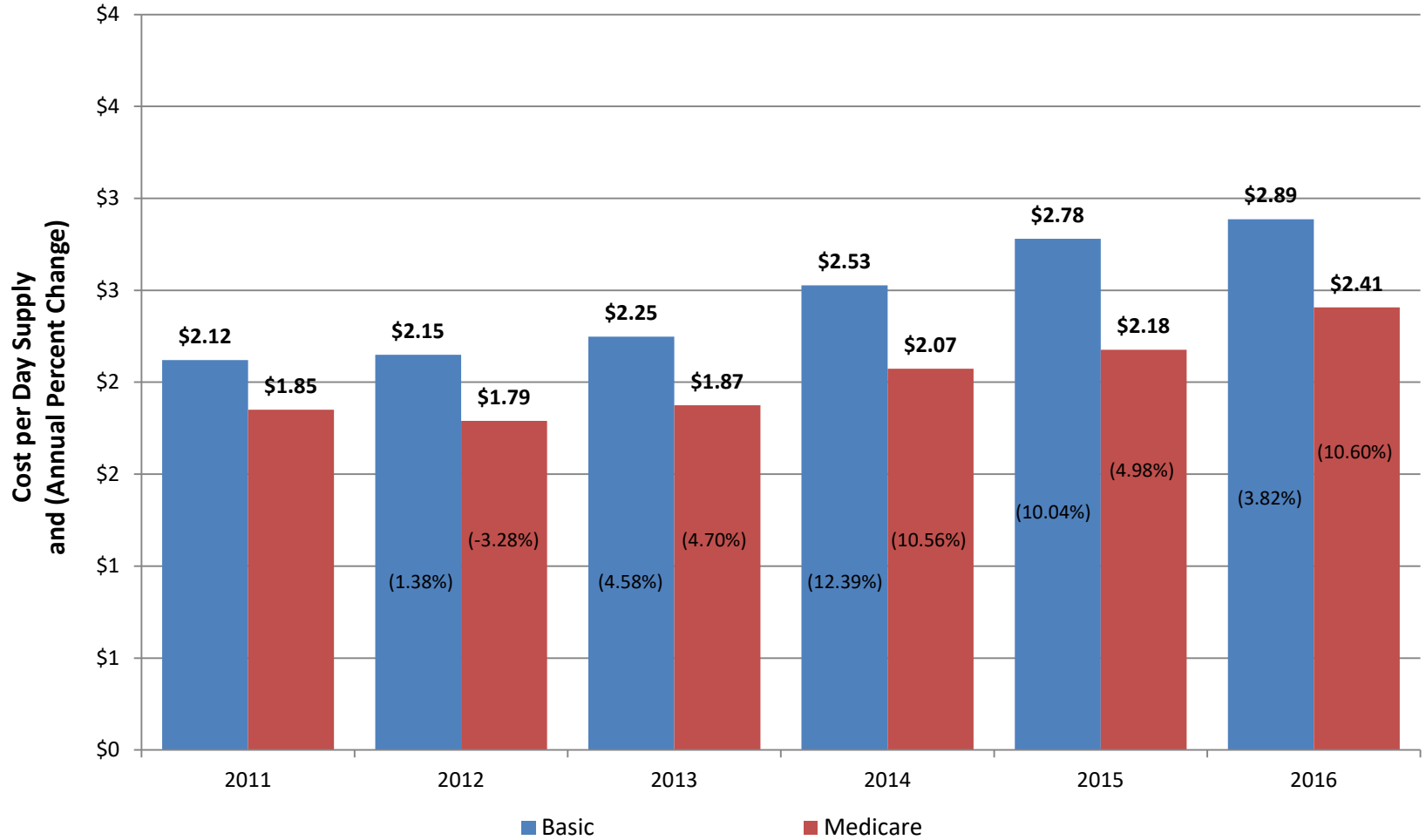
*Data is updated every month to include new claims, modifications, adjustments, and amendments to correct identified data issues by plans. Each data run is a snapshot of the data base at that moment in time. For example, 2014 total pharmacy cost extracted in 2015 would be different from those in 2016, or 2017.

**The Holding Plan is commercial or Basic prescription drug coverage that Supplement to Original Medicare members have when pending enrollment into Medicare Part D by the Centers for Medicare and Medicaid Services (CMS). Holding Plan coverage is a benefit that allows members to have full prescription drug coverage while they await Medicare Part D enrollment.

Cost Per Prescription



Cost Per Day Supply





2016 Costs by Prescription Drug Type, Basic

	Non-Specialty				Specialty ⁴	Total
	Generic	MSB ¹	SSB ²	Other ³		
Number of Prescriptions	9,119,992	245,951	1,035,571	341,466	113,154	10,856,134
Allowed Amount (millions)	\$325.34	\$67.84	\$461.46	\$23.02	\$408.43	\$1,286.09
Member Copay (millions)	\$55.59	\$6.80	\$28.81	\$3.22	\$2.74	\$97.16
Allowed per Prescription	\$35.67	\$275.83	\$445.61	\$67.41	\$3,609.53	\$118.47
Member Copay per Prescription	\$6.09	\$27.64	\$27.82	\$9.51	\$24.20	\$8.95
Member Copay %	17.09%	10.02%	6.24%	13.99%	0.67%	7.55%

¹ Multi Source Brand.

² Single Source Brand.

³ Includes over the counter and unspecified drugs.

⁴ Based on CVS/Caremark Specialty list.



Specialty Drugs, Basic

	2012	2013	2014	2015	2016
Number of Specialty¹ Drug Prescriptions	56,300	64,585	96,314	108,296	113,154
Specialty Drug Prescriptions as a % of Total Prescriptions	0.5%	0.6%	0.9%	1.0%	1.04%
Specialty Drug Allowed Amount (millions)	\$186	\$212	\$296	\$381	\$408.43
Specialty Drug Allowed Amount as % of Total Spending	18.7%	20.9%	25.5%	30.2%	31.76%
Specialty Drug Member Copay Amount (millions)	\$1.62	\$1.98	\$2.45	\$2.53	\$2.74
Specialty Drug Member Copay %	0.9%	0.9%	0.8%	0.7%	0.67%

¹ Based on CVS/Caremark Specialty Drug lists.



2016 Costs by Prescription Drug Type, Medicare

	Non-Specialty				Specialty ⁴	Total
	Generic	MSB ¹	SSB ²	Other ³		
Number of Prescriptions	5,492,341	169,456	642,537	182,800	55,334	6,542,468
Allowed Amount (millions)	\$219.10	\$56.99	\$328.89	\$11.95	\$240.53	\$857.46
Member Copay (millions)	\$36.14	\$4.52	\$19.08	\$1.16	\$1.37	\$62.27
Allowed per Prescription	\$39.89	\$336.30	\$511.86	\$65.35	\$4,346.92	\$131.06
Member Copay per Prescription	\$6.58	\$26.68	\$29.70	\$6.34	\$24.73	\$9.52
Member Copay %	16.49%	7.93%	5.80%	9.70%	0.57%	7.26%

¹ Multi Source Brand.

² Single Source Brand.

³ Includes over the counter and unspecified drugs.

⁴ Based on CVS/Caremark Specialty list.

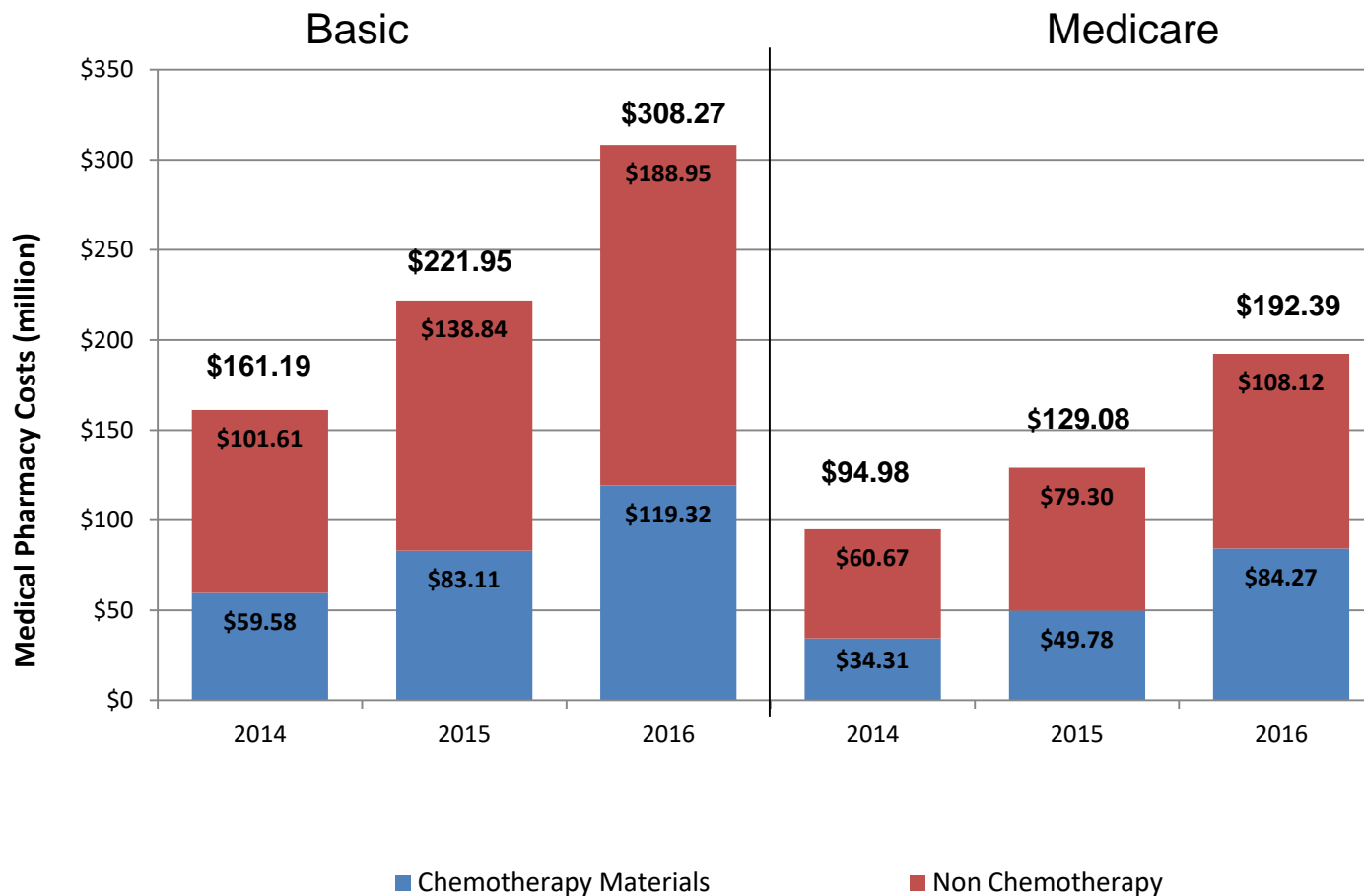


Specialty Drugs, Medicare

	2012	2013	2014	2015	2016
Number of Specialty¹ Drug Prescriptions	24,560	30,819	43,518	49,413	55,334
Specialty Drug Prescriptions as a % of Total Prescriptions	0.4%	0.5%	0.7%	0.8%	0.8%
Specialty Drug Allowed Amount (millions)	\$82	\$108	\$155	\$206	\$240.53
Specialty Drug Allowed Amount as % of Total Spending	15.0%	17.8%	22.0%	26.9%	28.1%
Specialty Drug Member Copay Amount (millions)	\$0.58	\$0.55	\$0.94	\$1.06	\$1.37
Specialty Drug Member Copay %	0.7%	0.5%	0.6%	0.5%	0.6%

¹ Based on CVS/Caremark Specialty Drug lists.

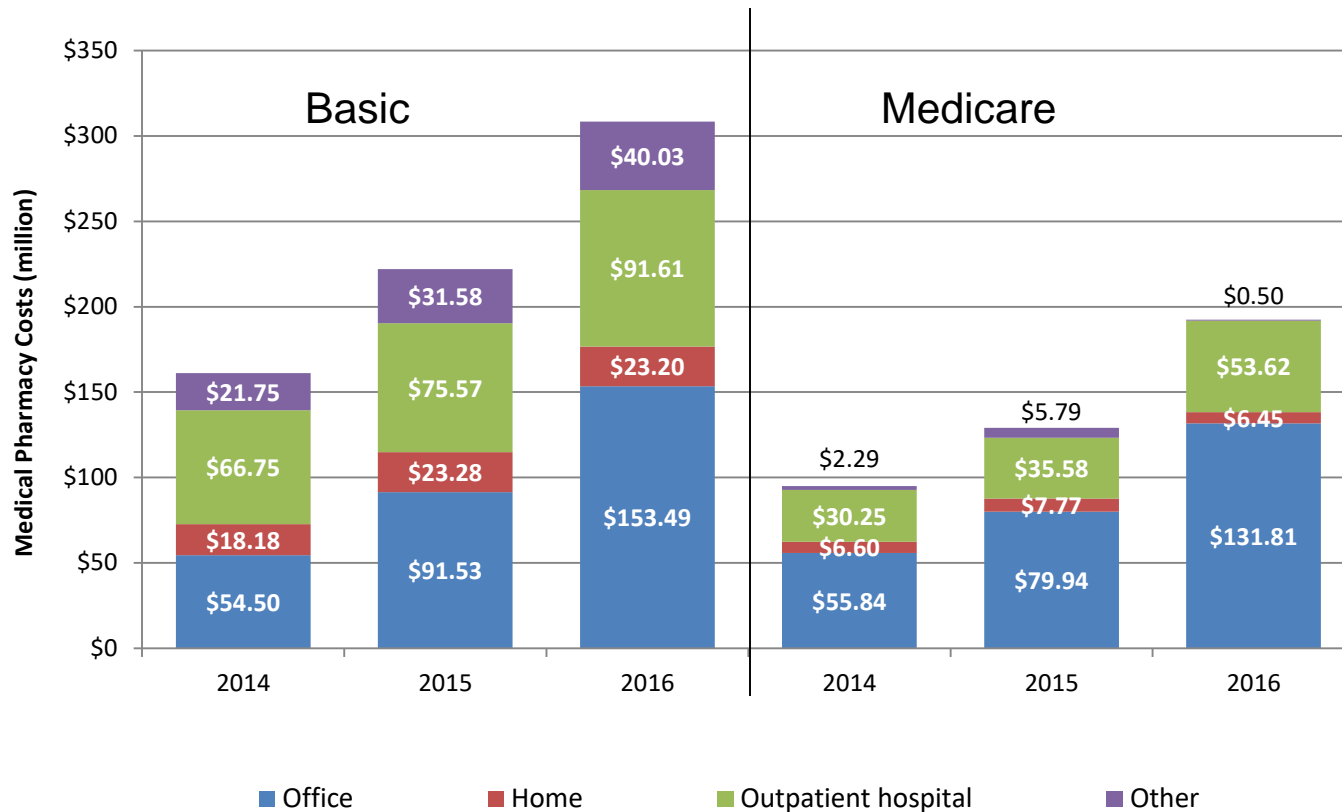
Medical Pharmacy Costs by Type



Based on:

- Healthcare Common Procedure Coding System (HCPCS) J codes.
- Health Cost Guideline (HCG) Line (O16 – Pharmacy, P34 – Office Administered Drug).

Medical Pharmacy Costs by Place of Service

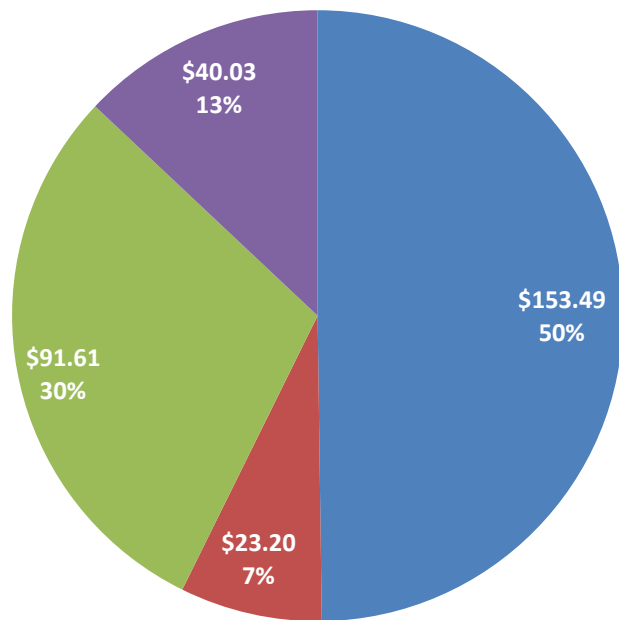


Based on:

- Healthcare Common Procedure Coding System (HCPCS) J codes.
- Health Cost Guideline (HCG) Line (O16 – Pharmacy, P34 – Office Administered Drug).
- CMS Place of Service Codes: Office, Home, Outpatient Hospital, and Other.

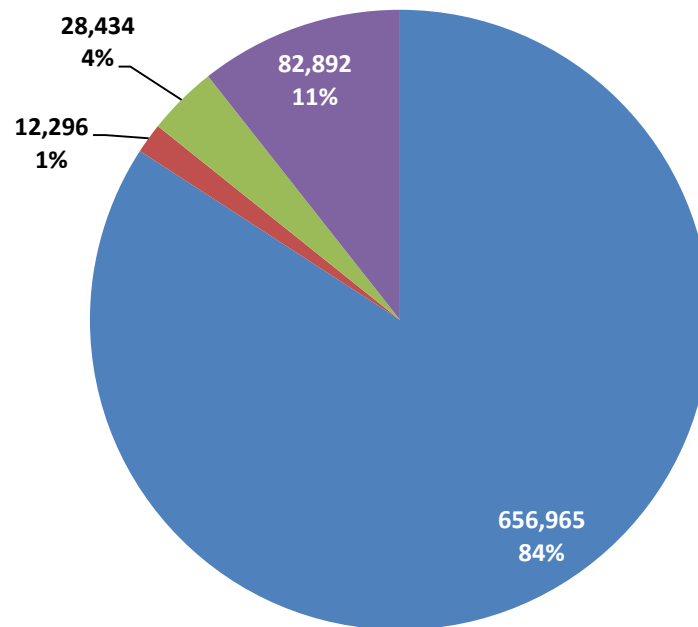
Basic - Cost and Utilization by Place of Service, 2016 Medical Pharmacy

Costs (million)



■ Office
 ■ Home
 ■ Outpatient hospital
 ■ Other

Utilization

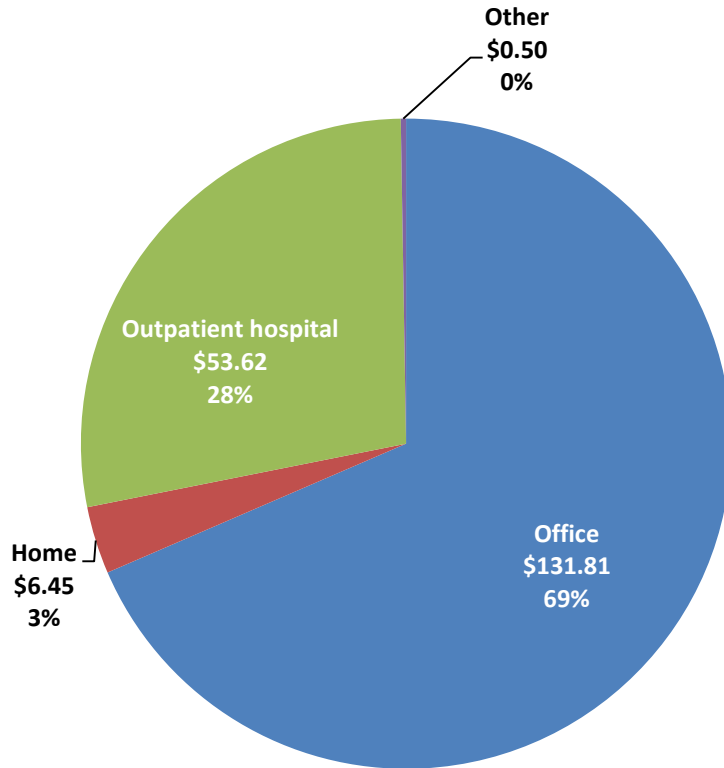


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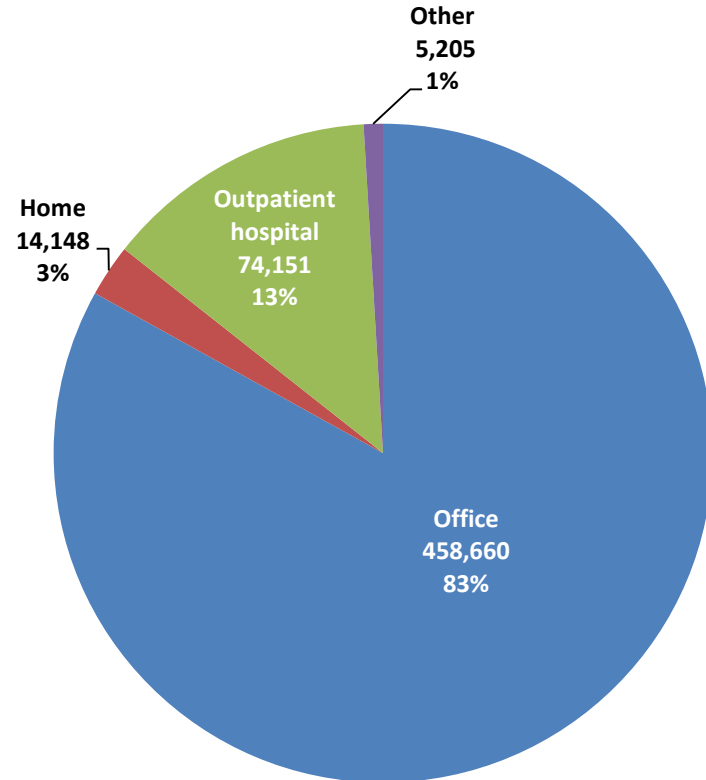
- Healthcare Common Procedure Coding System (HCPCS) J codes.
- Health Cost Guideline (HCG) Line (O16 – Pharmacy, P34 – Office Administered Drug).
- CMS Place of Service Codes: Office, Home, Outpatient Hospital, and Other.

Medicare – Cost and Utilization by Place of Service 2016 Medical Pharmacy

Costs (million)



Utilization



■ Office
 ■ Home
 ■ Outpatient hospital
 ■ Other

Based on:

- Healthcare Common Procedure Coding System (HCPCS) J codes.
- Health Cost Guideline (HCG) Line (O16 – Pharmacy, P34 – Office Administered Drug).
- CMS Place of Service Codes: Office, Home, Outpatient Hospital, and Other.