

# Prescription and Medical Pharmacy Drug Utilization and Cost Trends, 2013-2017

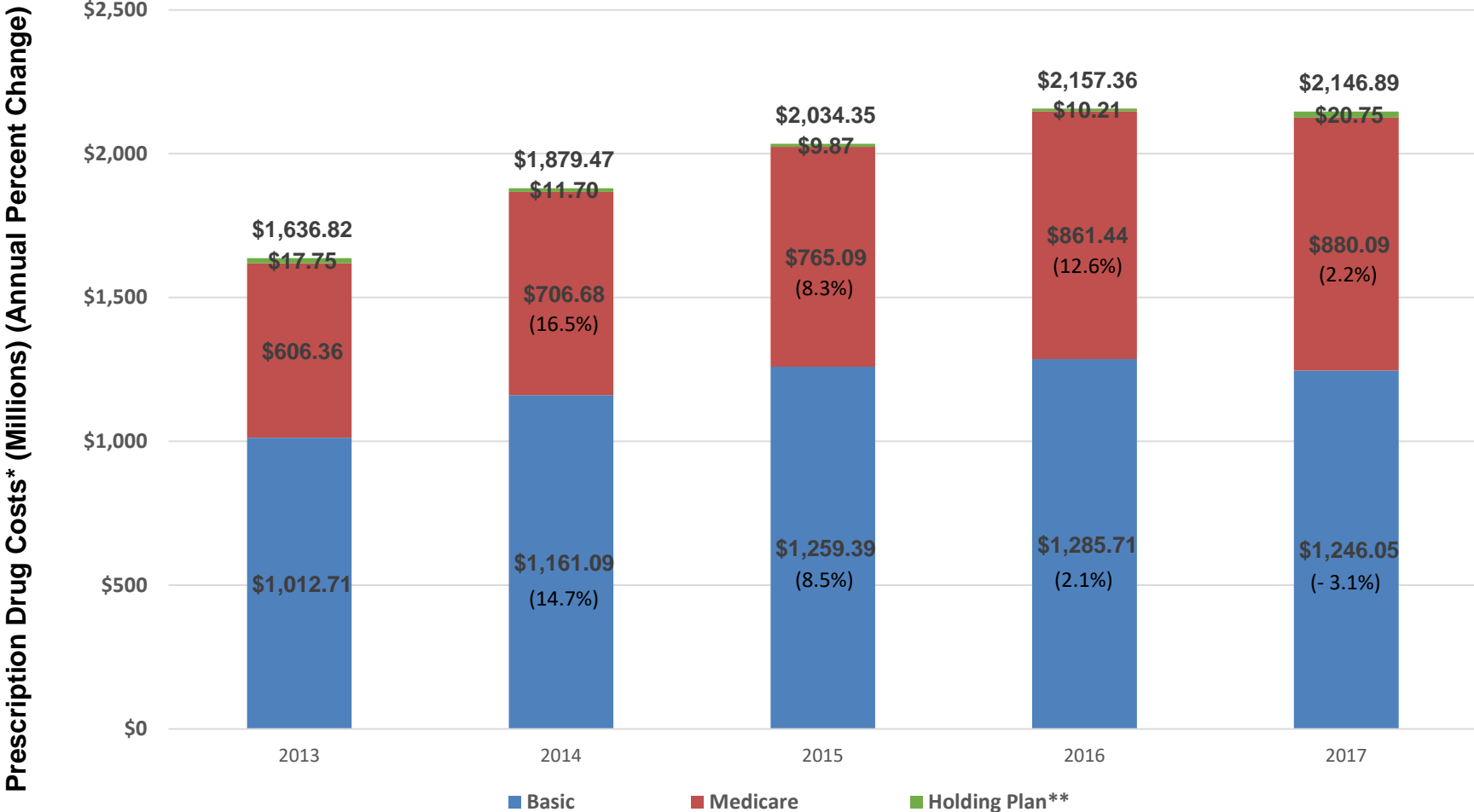
Pension and Health Benefits Committee  
September 25, 2018

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CalPERS Pharmacist

# Overview

- Trends in prescriptions and costs
- 2017 costs by prescription drug type - Basic
- 2017 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.

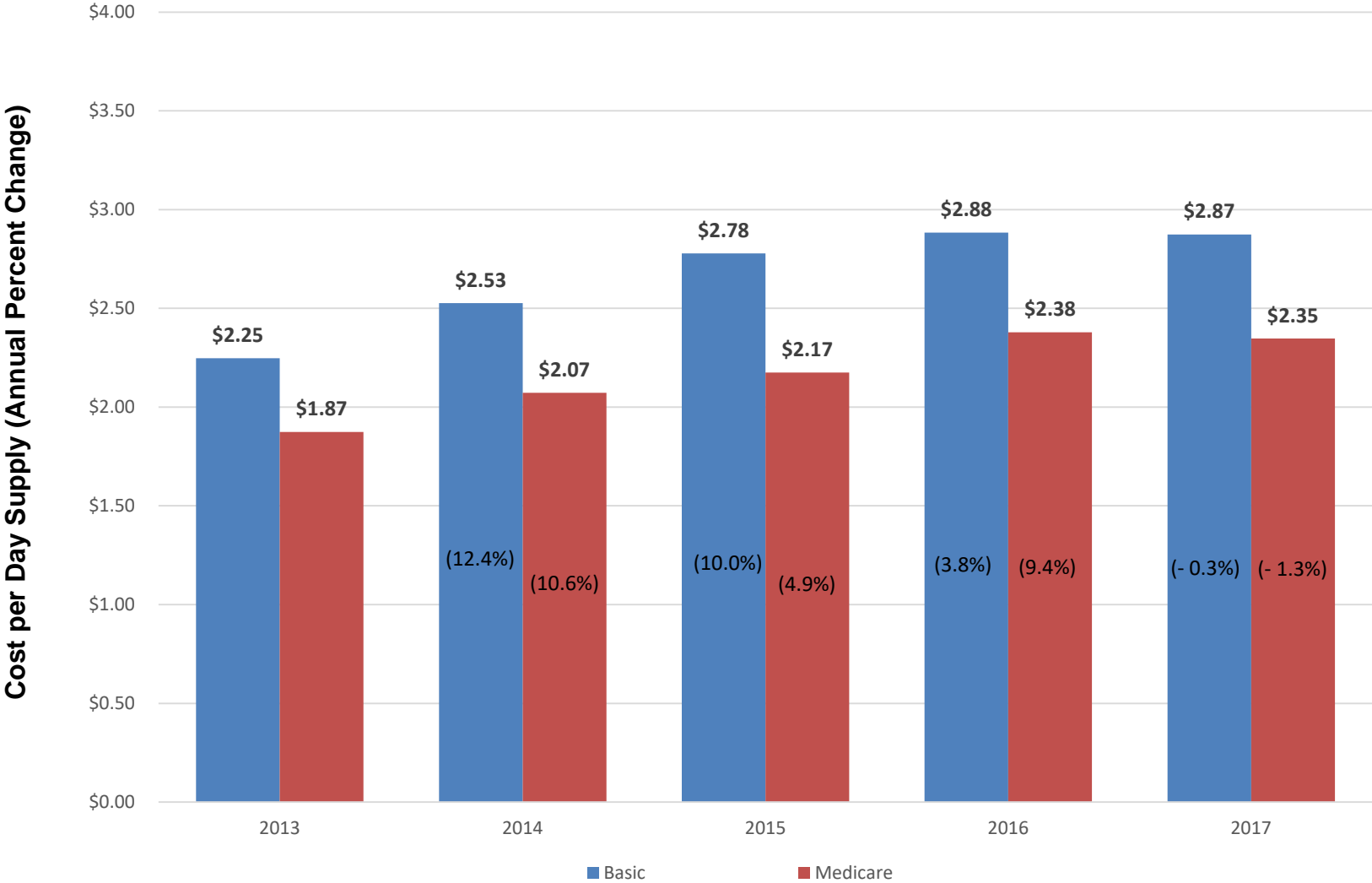
\*\*The Holding Plan is commercial or Basic prescription drug coverage that Supplement to Original Medicare members have when pending enrollment into Medicare Part D by the Centers for Medicare and Medicaid Services (CMS). Holding Plan coverage is a benefit that allows members to have full prescription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



# Cost Per Prescription



# Cost Per Day Supply



# 2017 Costs by Prescription Drug Type, Basic

	Non-Specialty				Specialty <sup>4</sup>	Total
	Generic	MSB <sup>1</sup>	SSB <sup>2</sup>	Other <sup>3</sup>		
<b>Number of Prescriptions</b>	9,198,008	169,286	984,501	369,677	161,841	10,883,313
<b>Allowed Amount (millions)</b>	\$273.51	\$47.60	\$383.79	\$24.30	\$516.85	\$1,246.05
<b>Member Cost Share (millions)</b>	\$48.76	\$4.31	\$28.02	\$3.12	\$4.03	\$88.23
<b>Allowed Amount per Prescription</b>	\$29.74	\$281.18	\$389.84	\$65.72	\$3,193.58	\$114.49
<b>Member Cost Share per Prescription</b>	\$5.30	\$25.46	\$28.46	\$8.43	\$24.89	\$8.11
<b>Member Cost Share %</b>	17.83%	9.06%	7.30%	12.82%	0.78%	7.08%

<sup>1</sup> Multi Source Brand.

<sup>2</sup> Single Source Brand.

<sup>3</sup> Includes over the counter and unspecified drugs.

<sup>4</sup> Based on HCDSS Standard Specialty Drug lists.

# Specialty Drugs<sup>1</sup>, Basic

	2013	2014	2015	2016	2017
<b>Number of Specialty Drug Prescriptions</b>	96,931	131,114	144,153	150,624	161,841
<b>Specialty Drug Prescriptions as a % of Total Prescriptions</b>	0.9%	1.2%	1.3%	1.4%	1.5%
<b>Specialty Drug Allowed Amount (millions)</b>	\$267	\$356	\$448	\$494	\$517
<b>Specialty Drug Allowed Amount as % of Total Amount</b>	26.4%	30.7%	35.5%	38.4%	41.5%
<b>Specialty Drug Member Cost Share Amount (millions)</b>	\$2.85	\$3.32	\$3.52	\$3.79	\$4.03
<b>Specialty Drug Member Cost Share %</b>	1.1%	0.9%	0.8%	0.8%	0.8%

<sup>1</sup> Based on HCDSS Standard Specialty Drug lists.

# 2017 Costs by Prescription Drug Type, Medicare

	Non-Specialty				Specialty <sup>4</sup>	Total
	Generic	MSB <sup>1</sup>	SSB <sup>2</sup>	Other <sup>3</sup>		
<b>Number of Prescriptions</b>	5,752,018	86,717	680,878	225,715	78,056	6,823,384
<b>Allowed Amount (millions)</b>	\$191.52	\$30.34	\$331.55	\$15.25	\$311.43	\$880.09
<b>Member Cost Share (millions)</b>	\$32.42	\$2.41	\$16.44	\$1.32	\$1.25	\$53.83
<b>Allowed Amount per Prescription</b>	\$33.30	\$349.92	\$486.95	\$67.55	\$3,989.85	\$128.98
<b>Member Cost Share per Prescription</b>	\$5.64	\$27.77	\$24.14	\$5.83	\$16.00	\$7.89
<b>Member Cost Share %</b>	16.93%	7.94%	4.96%	8.64%	0.40%	6.12%

<sup>1</sup> Multi Source Brand.

<sup>2</sup> Single Source Brand.

<sup>3</sup> Includes over the counter and unspecified drugs.

<sup>4</sup> Based on HCDSS Standard Specialty Drug lists.

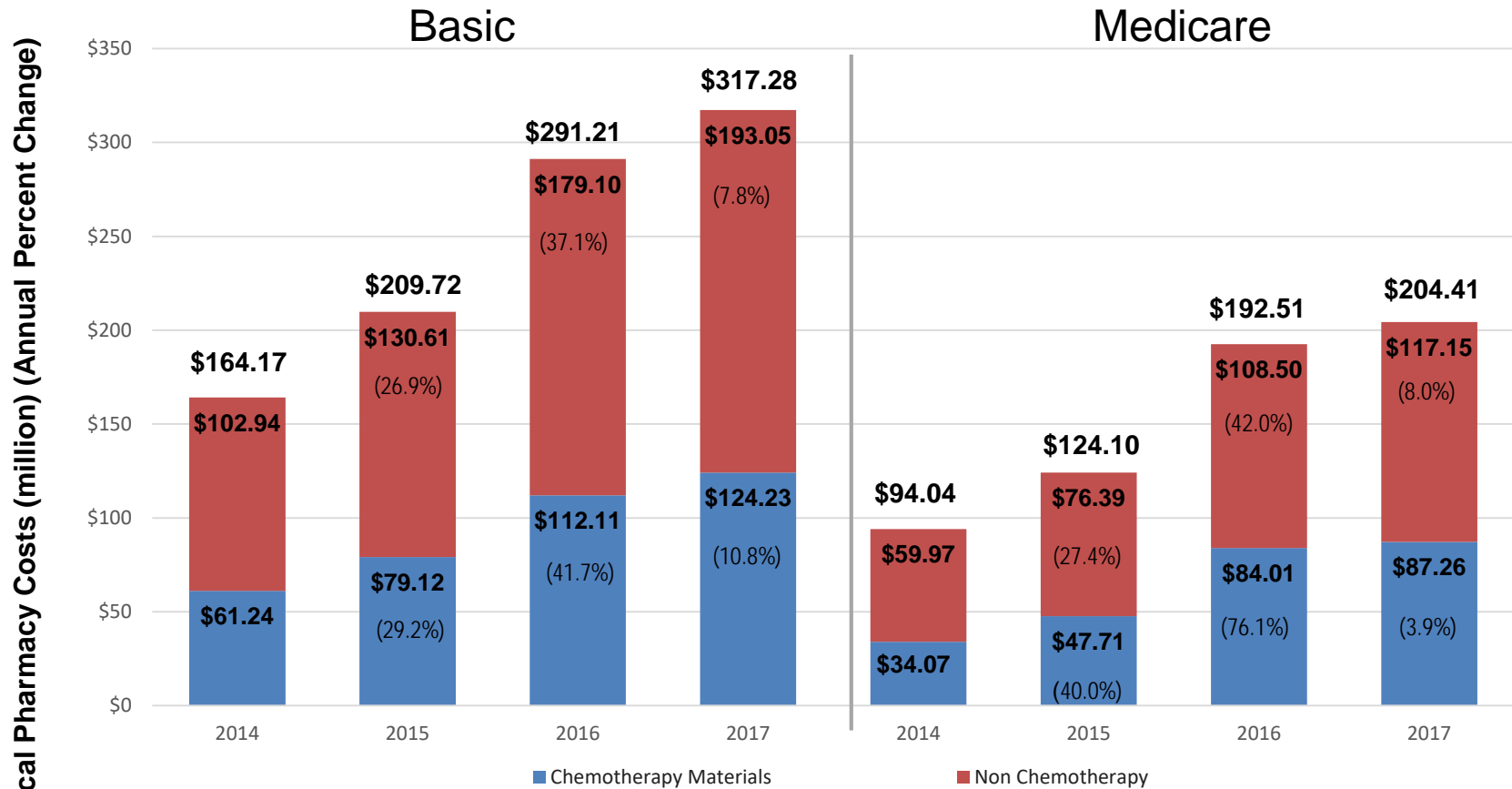


# Specialty Drugs<sup>1</sup>, Medicare

	2012	2013	2014	2015	2016
<b>Number of Specialty Drug Prescriptions</b>	<b>39,289</b>	<b>53,140</b>	<b>59,828</b>	<b>69,132</b>	<b>78,056</b>
<b>Specialty Drug Prescriptions as a % of Total Prescriptions</b>	<b>0.7%</b>	<b>0.9%</b>	<b>0.9%</b>	<b>1.0%</b>	<b>1.1%</b>
<b>Specialty Drug Allowed Amount (millions)</b>	<b>\$120</b>	<b>\$170</b>	<b>\$222</b>	<b>\$272</b>	<b>\$311</b>
<b>Specialty Drug Allowed Amount as % of Total Amount</b>	<b>19.9%</b>	<b>24.0%</b>	<b>29.0%</b>	<b>31.6%</b>	<b>35.4%</b>
<b>Specialty Drug Member Cost Share Amount (millions)</b>	<b>\$0.70</b>	<b>\$1.13</b>	<b>\$1.25</b>	<b>\$1.66</b>	<b>\$1.25</b>
<b>Specialty Drug Member Cost Share %</b>	<b>0.6%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.4%</b>

<sup>1</sup> Based on HCDSS Standard Specialty Drug lists.

# Medical Pharmacy Costs by Type

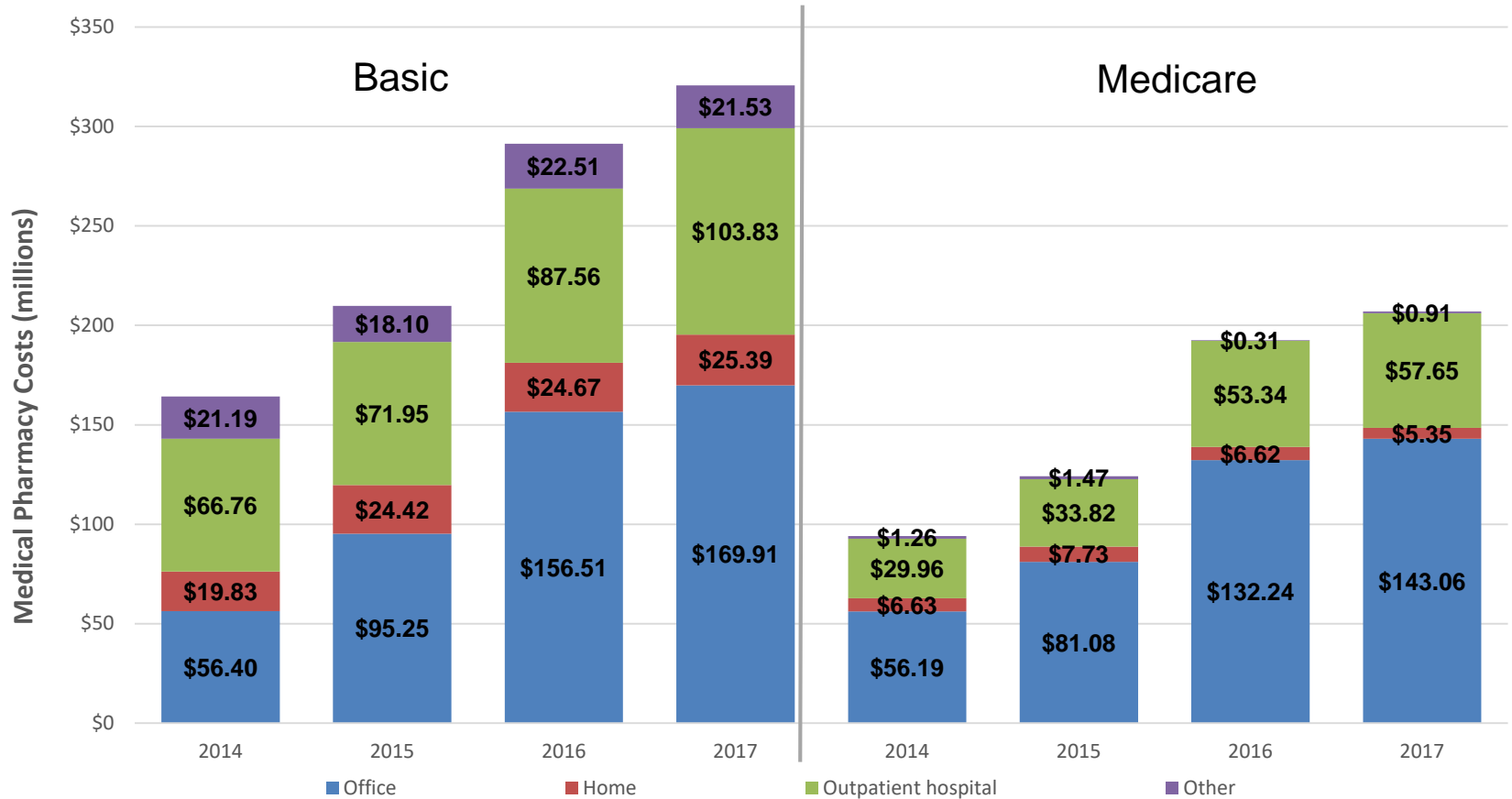


Based on:

- Healthcare Common Procedure Coding System (HCPCS) J codes.
- HCDSS Category Rollup – Medical Rx



# Medical Pharmacy Costs by Place of Service

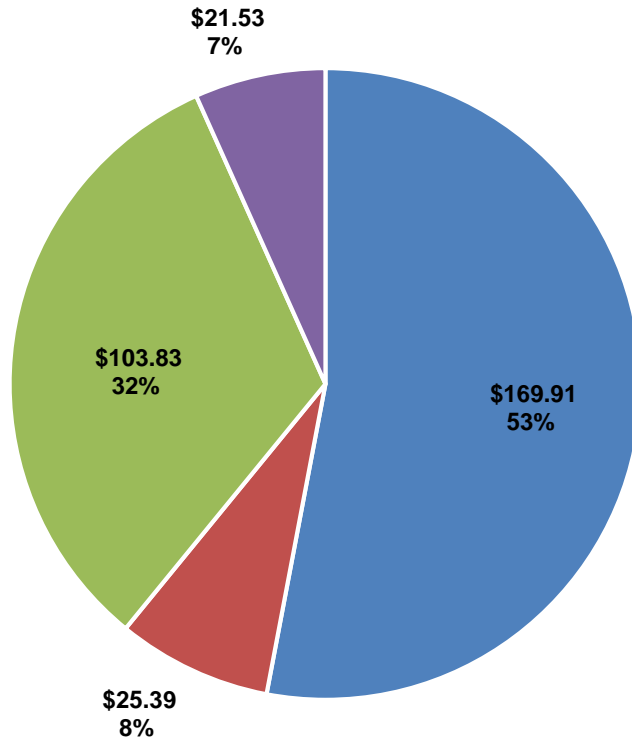


Based on:

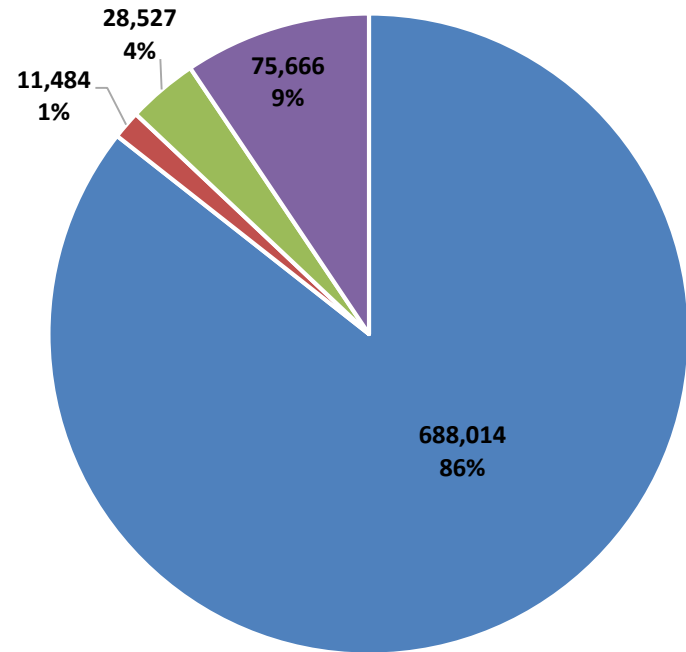
- Healthcare Common Procedure Coding System (HCPCS) J codes.
- HCDSS Cost Category Rollup – Medical Rx
- CMS Place of Service Codes: Office, Home, Outpatient Hospital, and Other.

# Basic - Cost and Utilization by Place of Service, 2017 Medical Pharmacy

### Costs (Millions)



### Utilization



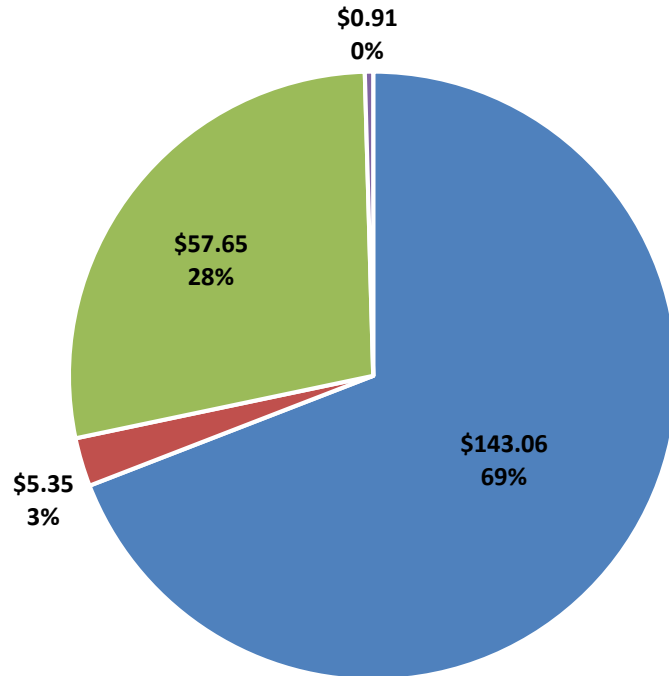
■ Office   ■ Home   ■ Outpatient Hospital   ■ Other

Based on:

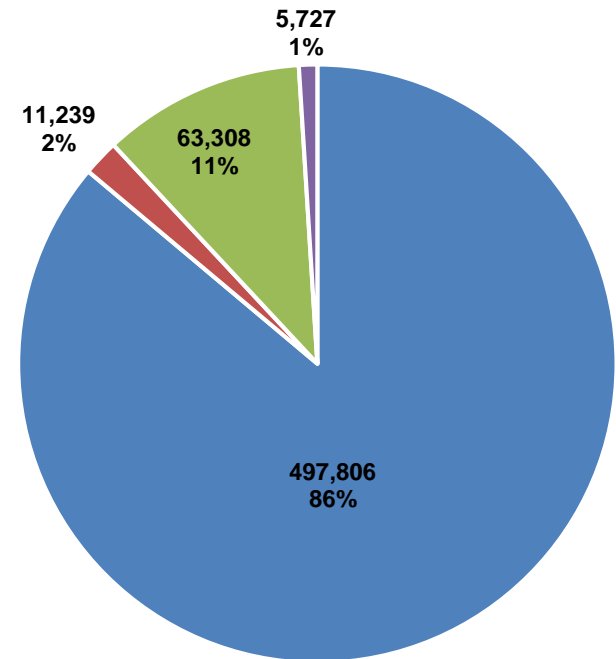
- Healthcare Common Procedure Coding System (HCPCS) J codes.
- HCDSS Cost Category Rollup – Medical Rx
- CMS Place of Service Codes: Office, Home, Outpatient Hospital, and Other.

# Medicare – Cost and Utilization by Place of Service 2017 Medical Pharmacy

**Costs (Millions)**



**Utilization**



■ Office ■ Home ■ Outpatient Hospital ■ Other

Based on:

- Healthcare Common Procedure Coding System (HCPCS) J codes.
- HCDSS Cost Category Rollup – Medical Rx
- CMS Place of Service Codes: Office, Home, Outpatient Hospital, and Other.