

# An Analysis of Medicare Part D and Medicaid Prescription Drug Data

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# Introduction and Overview

- In this 5-slide series, we analyze prescription drug volume and expenditures trends in the Medicare Part D and Medicaid programs, from 2013 to 2017. All analyses were conducted on a pre-rebate and calendar-year basis.
- We also analyze and compare the expenditure and volume trends for specialty drugs (defined herein as drugs costing \$1000+ per prescription) for each program.

# Overall Expenditure and Volume Trends (2013-2017)

<i>Medicare Part D</i>						
	<b>CY2013</b>	<b>CY2014</b>	<b>CY2015</b>	<b>CY2016</b>	<b>CY2017</b>	<b>% Change from CY 2013-2017</b>
<b>Total Volume of Prescriptions</b>	1,254,375,056	1,357,185,457	1,432,948,647	1,479,888,096	1,450,319,879	15.6%
<b>Total Spending</b>	\$96,587,549,427	\$116,788,977,894	\$135,532,333,280	\$145,746,631,646	\$151,648,386,124	57.0%
<b>Cost Per Rx</b>	\$77.00	\$86.05	\$94.58	\$98.48	\$104.56	35.8%

<i>Medicaid MCO &amp; FFS</i>						
	<b>CY2013</b>	<b>CY2014</b>	<b>CY2015</b>	<b>CY2016</b>	<b>CY2017</b>	<b>% Change from CY 2013-2017</b>
<b>Total Volume of Prescriptions</b>	556,942,986	610,038,835	697,330,804	740,010,310	750,771,509	34.8%
<b>Total Spending</b>	\$37,845,470,308	\$45,296,001,402	\$55,470,444,124	\$61,817,474,636	\$63,425,645,207	67.6%
<b>Cost Per Rx</b>	\$67.95	\$74.25	\$79.55	\$83.54	\$84.48	24.3%

# Overall Expenditure and Volume Trends (2013-2017)

- Taken together, Medicare Part D and Medicaid account for over half of the nation's prescription volume.
- Over the 5-year period we analyzed, Medicare Part D cost per prescription increased by 35.8% while Medicaid cost per prescription increased by 24.3%.
- During this timeframe, Medicaid volume and total expenditures each increased by a higher percentage than in Medicare Part D.
  - This is the same timeframe that many states adopted Medicaid expansion.
- The average pre-rebate cost of a Medicare Part D prescription was 13% above the Medicaid average in 2013 and 24% above Medicaid during 2017.

# Specialty Drug Expenditure and Volume Trends (2013-2017)

<i>Medicare Part D</i>						
	<b>CY2013</b>	<b>CY2014</b>	<b>CY2015</b>	<b>CY2016</b>	<b>CY2017</b>	<b>% Change from CY 2013-2017</b>
<b>Volume of Specialty Prescriptions</b>	5,936,974	8,008,915	10,941,354	12,912,315	15,452,863	160.3%
<b>Specialty Spending</b>	\$16,820,896,309	\$28,200,318,551	\$42,129,098,165	\$49,539,847,546	\$56,316,040,767	234.8%
<b>Cost Per Specialty Rx</b>	\$2,833	\$3,521	\$3,850	\$3,837	\$3,644	28.6%
<b>Specialty Share of Rx</b>	0.5%	0.6%	0.8%	0.9%	1.1%	
<b>Specialty Share of Spending</b>	17.4%	24.1%	31.1%	34.0%	37.1%	

<i>Medicaid MCO &amp; FFS</i>						
	<b>CY2013</b>	<b>CY2014</b>	<b>CY2015</b>	<b>CY2016</b>	<b>CY2017</b>	<b>% Change from CY 2013-2017</b>
<b>Volume of Specialty Prescriptions</b>	4,285,654	5,688,317	6,665,264	7,890,918	9,084,852	112.0%
<b>Specialty Spending</b>	\$10,225,683,498	\$14,709,650,105	\$19,785,571,755	\$25,194,046,139	\$28,616,602,891	179.9%
<b>Cost Per Specialty Rx</b>	\$2,386	\$2,586	\$2,968	\$3,193	\$3,150	32.0%
<b>Specialty Share of Rx</b>	0.8%	0.9%	1.0%	1.1%	1.2%	
<b>Specialty Share of Spending</b>	27.0%	32.5%	35.7%	40.8%	45.1%	

\*Note that specialty drugs are defined herein as those with an average pre-rebate cost per prescription above \$1,000.

# Specialty Drug Expenditure and Volume Trends (2013-2017)

- The volume of specialty prescriptions in the Medicare Part D program increased from 0.5% to 1.1% of overall prescription volume.
- Specialty drugs' share of overall Part D expenditures increased from 17.4% to 37.1% between 2013 to 2017.
- During this timeframe, the volume of specialty prescriptions increased from 0.8% to 1.2% of nationwide Medicaid prescription volume.
- Specialty drugs' share of overall Medicaid pharmacy expenditures increased from 27.0% in 2013 to 45.1% in 2017.

# 5 Slide Series Overview

Our 5 Slide Series is a monthly publication whereby we briefly discuss/address a selected topic outside the confines of our client engagements.

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