

# Prescription Drug Costs in Maine

Promoting Transparency



# INTRODUCTIONS



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# OVERVIEW OF LEGISLATION PROMOTING PRESCRIPTION DRUG TRANSPARENCY



# Pharmacy Paid Amount as a % of Medical Paid, 2009-2018 (as reported in APCD)

## Commercial Insurance

2009: 23%

2010: 23%

2011: 24%

2012: 24%

2013: 27%

2014: 28%

2015: 29%

2016: 39%


2017: 36%

2018: 36%

Select a date range to see what data are available.

January 2009  March 2019

### What volume of claims are available?

Type of Insurance	Dental	Medical	Pharmacy
Commercial Insurance 	8,162,847	67,294,571	68,175,846
MaineCare (Medicaid)	1,835,109	109,529,805	54,375,156
Medicare		70,644,341	
Medicare Advantage*		20,205,400	85,518,060

Please note that claims that were incurred in more than one month may be counted more than once. This table is meant to provide an estimate of the volume of claims for the selected period.  
\*Medicare Advantage category includes a large proportion of Medicare Part D in the pharmacy category. All of these Part D claims are paid through a commercial plan and may not necessarily be part of a Medicare Advantage plan.

### How much was paid?

Type of Insurance	Dental	Medical	Pharmacy
Commercial Insurance	\$2,263,093,864	\$24,574,076,104	\$7,060,798,183
MaineCare (Medicaid)	\$310,752,478	\$20,018,139,855	\$2,463,758,046
Medicare		\$20,757,481,360	
Medicare Advantage*		\$4,843,362,159	\$5,990,728,542

Please note that the paid amount includes the total cost for the insurer and any out-of-pocket expenses (e.g., prepaid for medical and copay, coinsurance, and deductible amounts for dental, medical and pharmacy).  
\*Medicare Advantage category includes a large proportion of Medicare Part D in the pharmacy category. All of these Part D claims are paid through a commercial plan and may not necessarily be part of a Medicare Advantage plan.



# Public Law Chapter 406

## An Act to Promote Prescription Drug Price Transparency

- By December 1, 2018 and annually thereafter, the MHDO must provide a report containing the following information about prescription drugs, both brand name and generic:
  - The 25 most frequently prescribed drugs in the State
  - The 25 costliest drugs as determined by the total amount spent on those drugs in the State
  - The 25 drugs with the highest year-over-year cost increases as determined by the total amount spent
- Data Source: All Payer Claims Data
- Use Report Findings and New Information from Manufacturers to Identify the Data that Pharmacy Benefit Managers (PBMs) and/or Wholesale Distributors Must Report to the MHDO

# Top 25 Costliest Drugs in the State of Maine

## July 2017 – June 2018

Brand or Generic				Payer Type			
Brand or Generic				Overall			
Rank	NDC	Drug Name	Drug Class(es)	Number of Prescriptions	Number of Prescription Users	Cost	Cost Per Prescription
Top 25 Overall				426,721	103,316	\$444,063,697	
State Total				13,495,455	953,866	\$1,873,338,844	
1	00074433902	Humira Pen	Gastrointestinal Drugs; Miscellaneous Ther..	12,047	2,091	\$74,465,813	\$6,181
2	58406044504	Enbrel	Miscellaneous Therapeutic Agents; Miscell..	4,769	868	\$27,498,401	\$5,766
3	00003089421	Eliquis	Blood Formation, Coagulation, and Thromb..	37,903	10,824	\$24,495,569	\$646
4	00088221905	Lantus Solostar	Hormones and Synthetic Substitutes	39,349	11,702	\$22,740,706	\$578
5	64406000602	Tecfidera	Not Available	2,362	382	\$21,014,747	\$8,897

# Top 25 Most Frequently Prescribed Drugs in the State of Maine

July 2017 – June 2018

Brand or Generic				Payer Type			
Brand or Generic				Overall			
Rank	NDC	Drug Name	Drug Class(es)	Number of Prescriptions	Number of Prescription Users	Cost	Cost Per Prescription
Top 25 Overall				1,117,282	439,375	\$138,265,986	
State Total				13,495,455	953,866	\$1,873,338,844	
1	16729018317	Hydrochlorothiazide	Cardiovascular Drugs; Electrolytic, Caloric,...	87,695	33,174	\$403,290	\$5
2	12496120803	Suboxone	Central Nervous System Agents; Miscellan..	81,586	6,207	\$16,793,975	\$206
3	59310057922	Proair Hfa	Autonomic Drugs; Respiratory Tract Agents	80,239	45,379	\$5,835,927	\$73
4	00173068220	Ventolin Hfa	Autonomic Drugs; Respiratory Tract Agents	76,841	36,557	\$5,556,465	\$72
5	55111015810	Omeprazole	Gastrointestinal Drugs	58,212	22,959	\$892,031	\$15

# Top 25 Drugs with Highest Year-Over-Year Increases in the State of Maine

July 2017 – June 2018

Brand or Generic				Payer Type				
Brand or Generic				Overall				
Rank	NDC	Drug Name	Drug Class(es)	Number of Prescriptions	Number of Prescription Users	Cost	Increase	Cost Per Prescription
Top 25 Overall				161,810	46,143	\$187,790,534	\$65,401,309	
1	00003089421	Eliquis	Blood Formation, Coagulation, a..	37,903	10,824	\$24,495,569	\$7,508,762	\$646
2	57894006103	Stelara	Miscellaneous Therapeutic Agen..	878	284	\$18,443,244	\$6,800,721	\$21,006
3	57894019506	Zytiga	Antineoplastic Agents	402	108	\$4,609,010	\$4,601,939	\$11,465
4	00002771559	Basaglar Kwikpen	Hormones and Synthetic Substit..	7,648	2,643	\$4,711,233	\$4,146,607	\$616
5	00002143480	Trulicity	Hormones and Synthetic Substit..	8,134	1,852	\$8,592,739	\$3,608,322	\$1,056



# Public Law Chapter 470

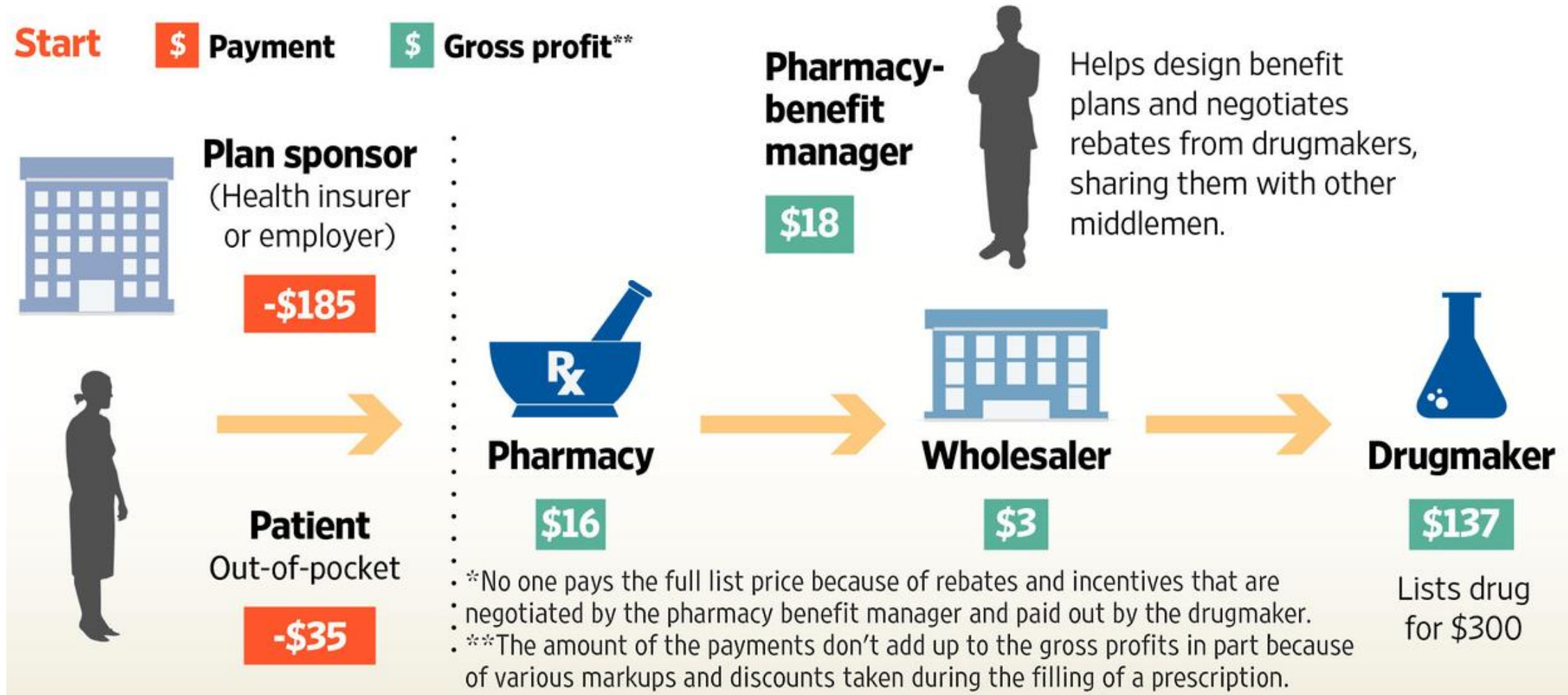
## An Act to Further Expand Drug Price Transparency

New Law in 2019 with Requirements for MHDO to:

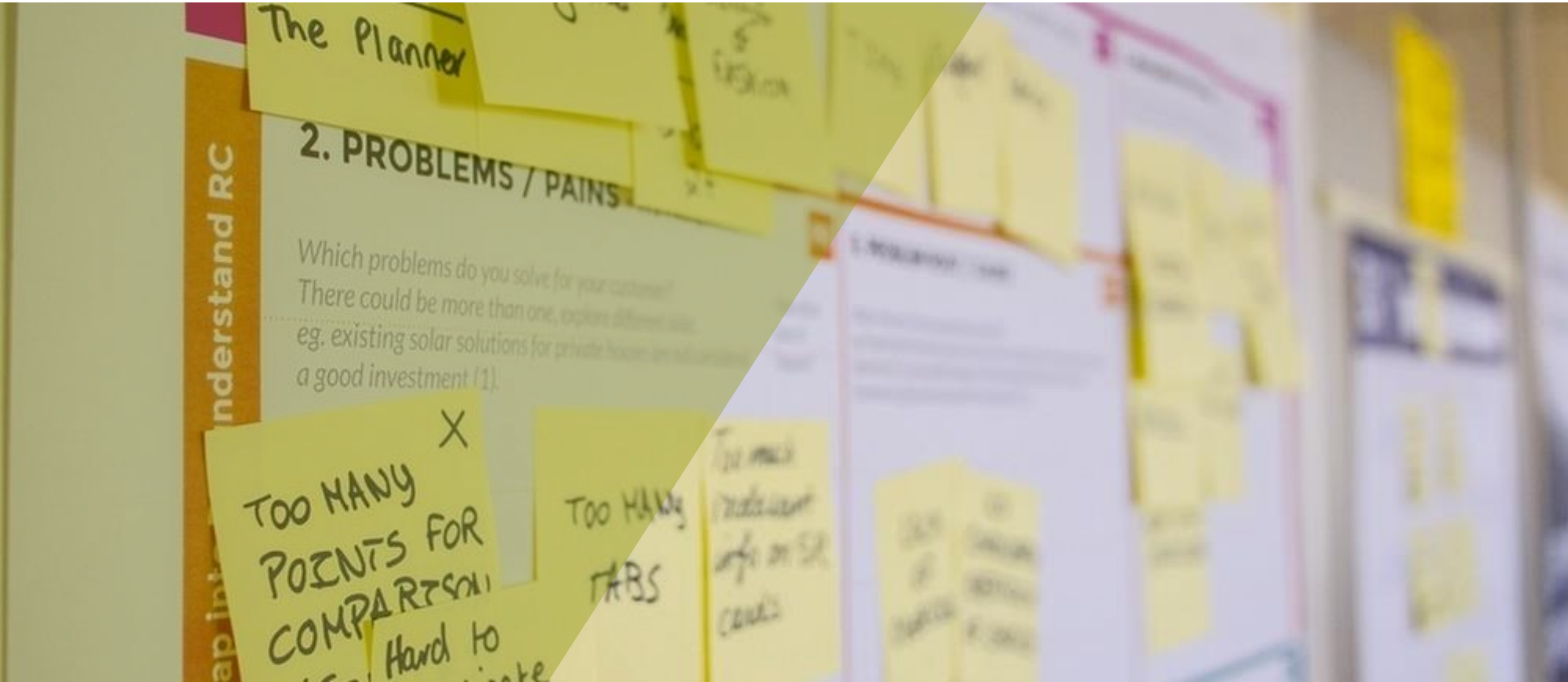
- Develop a Data Submission Rule Prior to April 1, 2020 to Collect Pricing Information From:
  - Manufacturers
  - Pharmacy Benefit Managers
  - Wholesale Distributors
- Produce Annual Report Beginning November 1, 2020 and to Submit to Legislature and Post on MHDO Website:
  - Information on Trends in the Cost of Prescription Drugs
  - Analysis of Manufacturer Prices and Price Increases
  - Major Components of Prescription Drug Pricing Along the Supply Chain
  - Impacts on Insurance Premiums, Cost Sharing, Any Other Information the MHDO Determines is Relevant to Providing Greater Consumer Awareness of the Factors Contributing to the Cost of Prescription Drugs in the State of Maine

# Sharing the Wealth

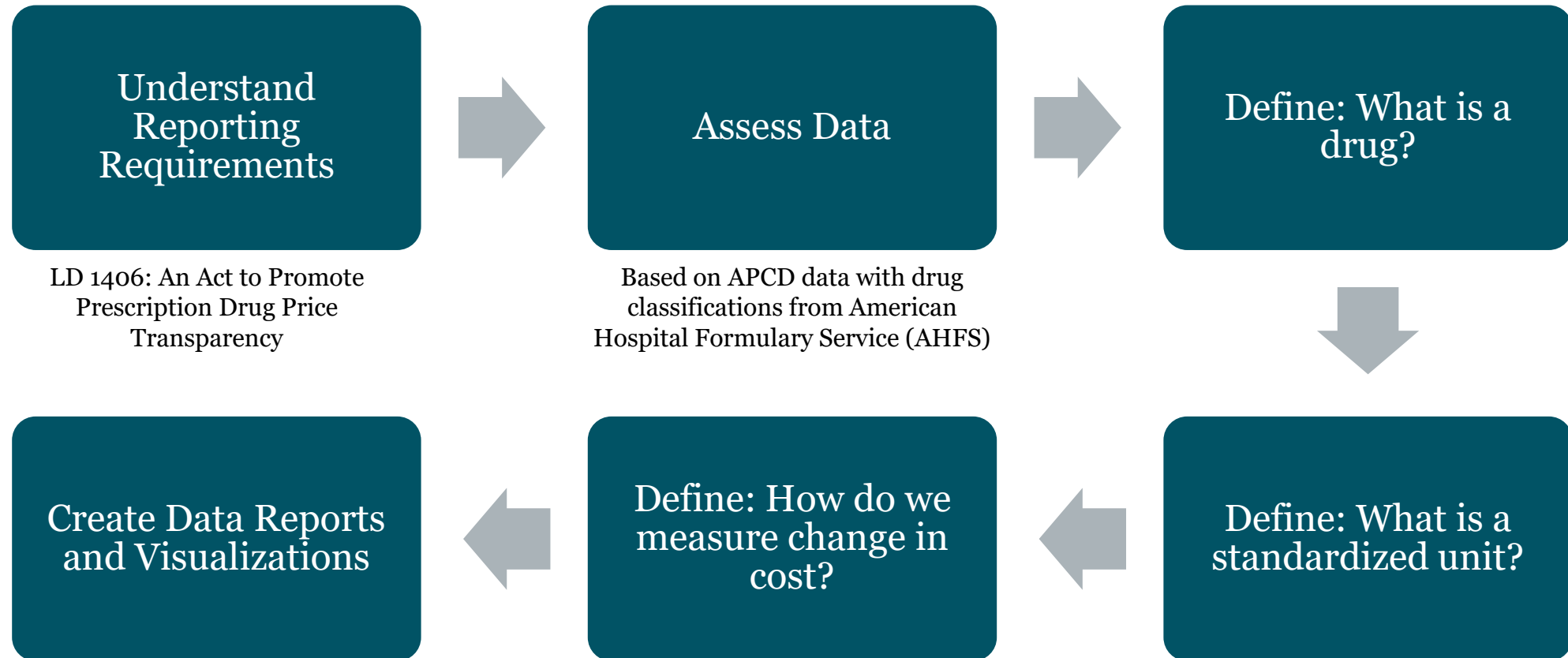
Here is how profits are shared from a brand-name drug with a list price of \$300\*. Of the middlemen involved in the process, a pharmacy benefit manager gets the biggest gross profit of \$18.



# FRAMEWORK FOR DISPLAYING PRESCRIPTION DRUG COSTS



# Defining a Methodology for Presenting Prescription Drug Costs



# What is a Drug? Considerations



## **National Drug Code (NDC)**

Identifies drug formulation,  
labeler, and packaging



## **Drug Name**

Not regulated or standardized and  
may include drug formulation,  
labeler, and packaging



## **Clinical Equivalents**

Indicates the basis of a drug,  
such as all drugs containing  
only the active ingredient



# Methodology Decision in Maine

## National Drug Code (NDC)

- Most Standardized Option
  - XXXX [labeler]-XXXX [product code]-XXX [package code]
- Labeler is necessary to understand potential arbitrary price changes
  - Most Granular Option – compare like to like



# What is a standardized unit? Considerations



## **Number of Drug Unit**

Identifies how dosage is measured (mL, g, each)



## **Number of Days** Recommended usage days for treatment



## **Per Prescription** Total spent on prescriptions of the specified drug in the state / number of unique prescriptions



## **Per Prescribed Individual** Total spent on prescriptions of the specified drug in the state / number of unique individuals receiving prescriptions

# Methodology Decision in Maine

## Two Methods

- Two methods are used to allow users to view data in a familiar, user-friendly format:
  - Per Prescription (for single-use drugs)
  - Per Prescribed Individual (for maintenance drugs)
- Other options were in plain text and had insufficient data quality in the Maine APCD
  - Number of Drug Units – Commercial drug databases may have standardized units, but a given clinical formulation may have different units across package types (e.g., liquid vs tablet acetaminophen)
  - Number of Days – Not a required field



# How do we measure change in costs?

Goal: Identify Drugs with High Utilization and High Increase in Unit Cost

## Consider Absolute Cost vs. Percentage in Each Option



### State Total

Change in total spent on prescriptions of the specified drug in the state



### Per Prescription

Change in total spent on prescriptions of the specified drug in the state / number of unique prescriptions



### Per Prescribed Individual

Change in total spent on prescriptions of the specified drug in the state / number of unique individuals receiving prescriptions

Thank You.

