Drug Super Spenders: 2016 to 2018 Growth in Number of Members and Total Medical Plus Benefit Drug Cost for Members with Extremely High Annual Drug Cost in a 17 Million Member Commercially Insured Population

BACKGROUND

Accurate and innovative therapies—often priced in excess of $250,000 per year—are becoming common medical realities. These have become an increasingly important healthcare consideration. Of the 53 new drugs approved in 2016, 35 are for rare diseases. (e.g., gend therapy) are beginning to enter the market at a cost of over $1 million.1

• UTILizers of these extremely high cost therapies have prompted increasing use of the term “drug super spenders” to describe these insured members. Total drug management requires comprehensive medical and pharmacy benefit drug claims and cost data aggregation, the member-level, with non-super spender and high cost by condition category.

• With such plan pharmacy benefit managers need to understand the drug super spender growth rate and develop strategies that provide access to treatment while maintaining health insurance affordability. In addition, planning need to ensure the drug therapy is priced proportionally to the value it provides. Hence, what is effective drug therapy regimen is selected.

OBJECTIVE

• To categorize all members in a large commercially insured population by their total drug cost, defined as the combined cost from the pharmacy and benefit covered by medical benefits, and identify any drug super spender members, defined as those with greater than $250,000 in total drug cost per year.

• To determine overall super drug spender prevalence and aggregate cost trends by medical diagnosis condition categories.

RESULTS

• The universe population consisted of an average of 12.7 million unique members with any eligibility in each of the calendar years. The analytic populations had an average of 7.0 members-month per patient per year.

• Table 1 and Table 2 and Figure 1 and Figure 2 show the numbers and aggregate drug cost for all members with any pharmacy plus medical benefit eligibility by drug super spenders (members with > $250,000 in total drug cost) in 2016 and 2018 Drug Super Spenders (members with > $250,000 in total drug cost medical and pharmacy benefit drug claims)

• In 2016, there were 6,646 members (0.0169% of all members) accounting for $3.3 billion (80% of all drug spend), which was 0.5% of all drug spend.

• In 2018, there were 11,340 members (0.0275% of all members) accounting for $3.1 billion drug spend, which was 6.0% of all drug spend.

• Although this study was conducted using a large commercially insured population, the findings may not be generalizable to populations such as Medicare and Medicaid, and may underestimate commercially insured population with different attributes.

• Estimated drug expense (i.e., drug super spenders, for an individual member can result from a number of factors that require continued use of drugs for which manufacturers have not yet high drug cost. In some cases, contractual agreements play a very important role, such as agreement by a health plan to pay a percentage of charges for medical claims by a facility combined with the facility’s decisions about what to charge.

CONCLUSIONS

• Pharmaceutical innovation is bringing needed therapies to market but driving more drug super spenders. In 2016, members with over $250,000 in total drug costs account for 20% and 100,000 commercially insured. This trend but increasing significantly as the numbers and aggregate drug cost for all members with any pharmacy plus medical drug cost per year can result from a combination of information from the specific drugs accounting for most of the member’s drug expense and ICD-10 diagnosis codes on all medical claims.

• Drug Super Spenders = individual members with > $250,000 in pharmacy plus medical drug cost per year; Cost = plan plus member cost share after network discounts with no further adjustment for drug manufacturer coupons or rebates.

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