

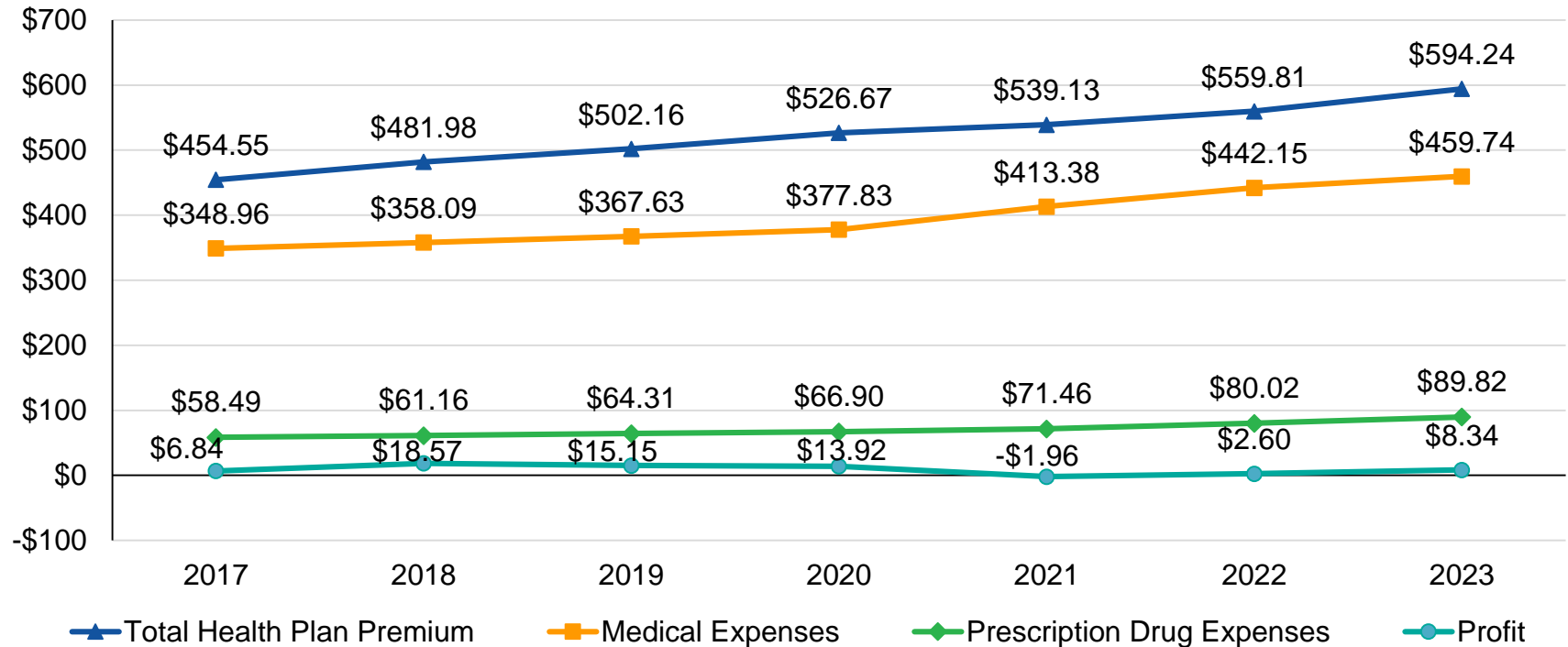
Prescription Drug Cost Transparency Report

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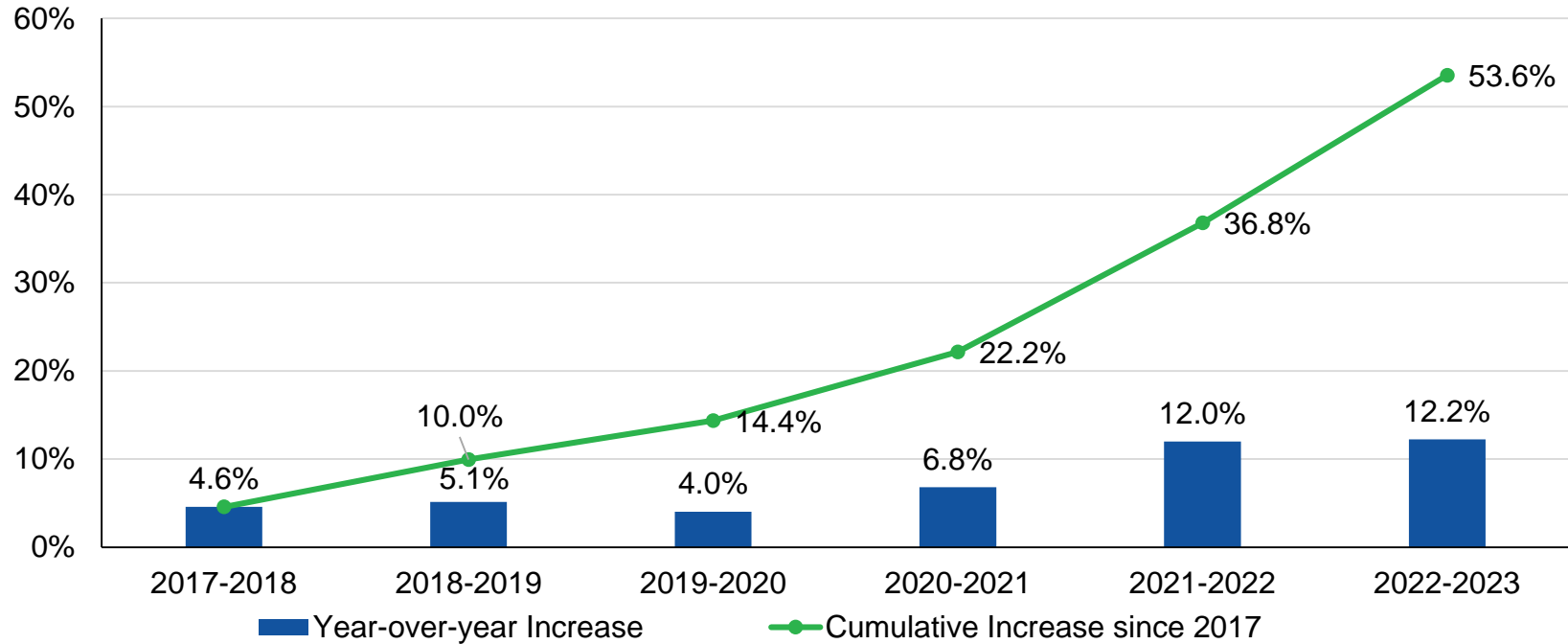
SB 17 (2017) Reporting Requirements

- Health plans are required to annually report information to the DMHC related to the costs of covered prescription drugs, including:
 - 25 most frequently prescribed drugs
 - 25 most costly drugs by total annual spending
 - 25 drugs with highest year-over-year increase in total annual spending
- The DMHC annually prepares a report that analyzes the impact of prescription drugs on health care premiums.

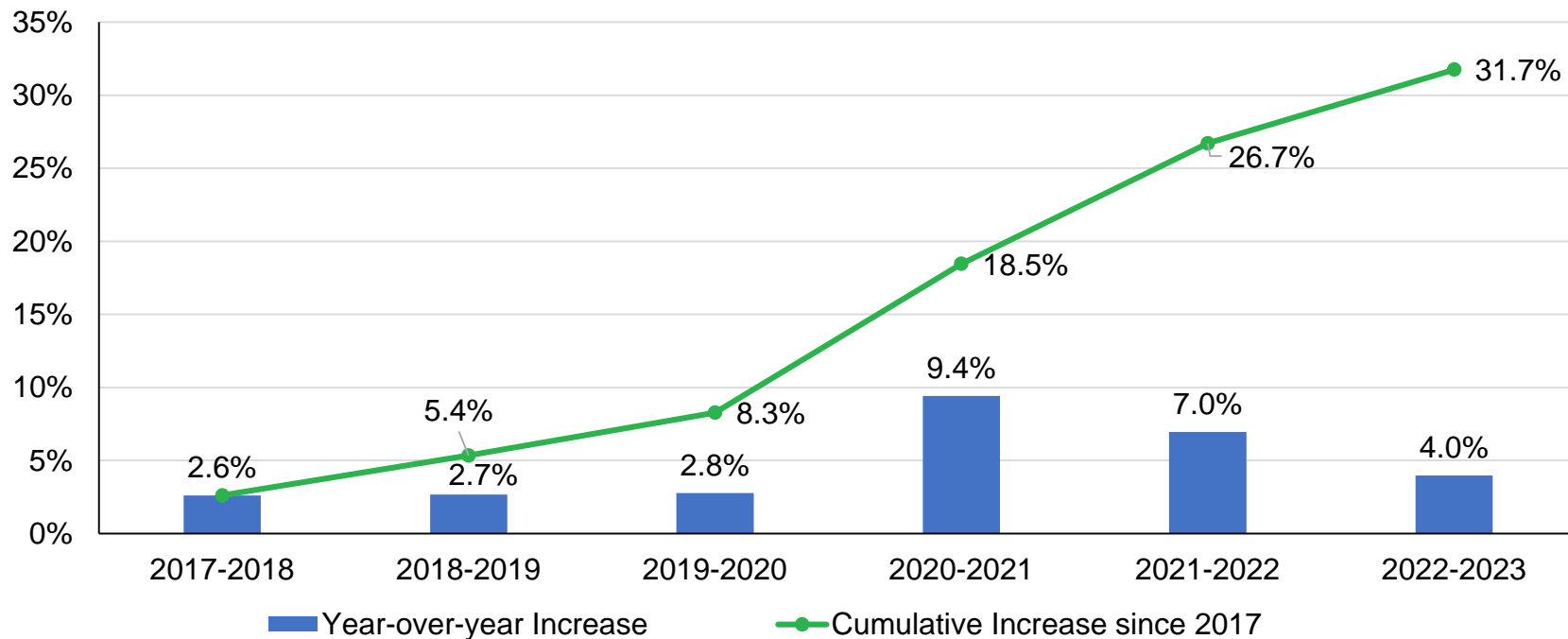
Seven-Year Trend: Total Health Plan Premium, Medical Expenses, Prescription Drug Expenses and Profit (PMPM)



Seven-Year Trend: Prescription Drug Cost Increase



Seven-Year Trend: Medical Expenses Increase



Volume of Prescription Drugs and Total Annual Spending on All Prescription Drugs

Category	Generic	Brand Name	Specialty	Overall
Measurement Year – 2023				
2023 Volume of All Prescription Drugs	89.2%	8.8%	2.0%	100.0%
2023 Annual Spending on All Prescription Drugs	12.7%	21.5%	65.8%	100.0%
Measurement Year – 2022				
2022 Volume of All Prescription Drugs	88.9%	9.5%	1.6%	100.0%
2022 Annual Spending on All Prescription Drugs	14.4%	21.6%	64.0%	100.0%
Measurement Year – 2021				
2021 Volume of All Prescription Drugs	88.2%	10.2%	1.6%	100.0%
2021 Annual Spending on All Prescription Drugs	16.3%	20.8%	62.9%	100.0%
Measurement Year – 2020				
2020 Volume of All Prescription Drugs	89.1%	9.3%	1.6%	100.0%
2020 Annual Spending on All Prescription Drugs	18.1%	21.7%	60.2%	100.0%

25 Most Frequently Prescribed Drugs by Total Annual Spending

- The 25 most frequently prescribed drugs accounted for approximately 48.7% of all prescriptions and approximately 54.0% of the total annual spending on prescription drugs.
- The 25 most frequently prescribed generic drugs represented 41.0% of all prescriptions. However, generic drugs accounted for only 2.8% of the total annual spending on prescription drugs and only 0.2% of the total health plan premium. In contrast, the 25 most frequently prescribed specialty drugs accounted for only 1.5% of all prescriptions but 37.4% of the total annual spending on prescription drugs and 5.9% of the total health plan premium.
- Total annual health plan spending on prescription drugs was \$89.82 PMPM. Overall, the 25 most frequently prescribed drugs accounted for \$48.06 PMPM (53.5%) of the total annual health plan spending on prescription drugs.
- Total annual spending for the 25 most frequently prescribed drugs was \$7.9 billion of which \$7.3 billion, or 92.4%, was paid by health plans and \$596 million, or 7.6%, was paid by enrollees.

Top 5 Most Frequently Prescribed Drugs

Top Five Generic Drugs

Prescription Drug Name	Therapy Class
ATORVASTATIN	Cardiovascular Agents
METFORMIN	Blood Glucose Regulators
LISINOPRIL	Cardiovascular Agents; Central Nervous System Agents
AMLODIPINE	Cardiovascular Agents
LEVOTHYROXINE	Antibacterials; Hormonal Agents - Thyroid

Top Five Specialty Drugs

Prescription Drug Name	Therapy Class
OZEMPIC	Blood Glucose Regulators
TRULICITY	Blood Glucose Regulators
WEGOVY	Anti-Obesity Agents
BIKTARVY	Antivirals
DESCOVY	Antivirals

Top Five Brand Name Drugs

Prescription Drug Name	Therapy Class
JARDIANCE	Blood Glucose Regulators
HUMULIN	Blood Glucose Regulators
ALVESCO	Respiratory Tract/Pulmonary Agents
HUMALOG	Blood Glucose Regulators
PFIZER COVID-19 VACCINE	Viral Vaccines

25 Most Costly Drugs by Total Annual Spending

- The 25 most costly drugs accounted for 33.9% of the total number of prescriptions and 61.3% of the total annual spending on prescription drugs. Of the 15.1% of total health plan premium that was spent on prescription drugs, the 25 most costly drugs accounted for 9.3%.
- The 25 most costly specialty drugs accounted for only 1.4% of all prescriptions, but they represented 41.5% of the total annual prescription drug spending and approximately 6.5% of the overall total health plan premiums. Conversely, the most costly generic drugs accounted for 27.4% of all prescriptions, but only 4.5% of the total annual spending on prescription drugs and 0.5% of health plan premiums.
- Health plans paid \$8.35 billion, or 93.6%, of the cost of the 25 most costly drugs in 2023 and enrollees paid the remaining \$574 million, or 6.4%. (Tables 10a and 10b)
- Health plans paid 96.9% of the 25 most costly specialty drugs, 92.5% of the 25 most costly brand name drugs, and 66.6% of the 25 most costly generic drugs. Enrollees paid 3.1% of the cost of the 25 most costly specialty drugs, 7.5% of the costs of the 25 most costly brand name drugs, and 33.4% of the cost of the 25 most costly generic drugs. (Table 10b)

Top 5 Most Costly Drugs by Total Annual Spending

Top Five Generic Drugs

Prescription Drug Name	Therapy Class
DEXTROAMPHETAMINE	Central Nervous System Agents
WIXELA	Bronchodilators, Sympathomimetic
ESTRADIOL	Hormonal Agents - Sex Hormones/Modifiers
ALBUTEROL	Respiratory Tract/Pulmonary Agents
LEVOTHYROXINE	Antibacterials; Hormonal Agents - Thyroid

Top Five Specialty Drugs

Prescription Drug Name	Therapy Class
HUMIRA	Immunological Agents
STELARA	Immunological Agents
BIKTARVY	Antivirals
DUPIXENT	Dermatological Agents; Immunological Agents
OZEMPIC	Blood Glucose Regulators

Top Five Brand Name Drugs

Prescription Drug Name	Therapy Class
JARDIANCE	Blood Glucose Regulators
OZEMPIC	Blood Glucose Regulators
VYVANSE	Central Nervous System Agents
ELIQUIS	Blood Products And Modifiers
HUMALOG	Blood Glucose Regulators

25 Drugs with the Highest Year-Over-Year Increase in Total Annual Spending

- The 25 drugs with the highest year-over-year increase in spending accounted for 45.8% of the total annual spending on prescription drugs, an increase from the prior three years.
- The primary drugs that are driving the increase in the total prescription drug cost spending for 2023 are drugs used in the management of diabetes or for weight loss, such as Jardiance, Ozempic, Victoza, Farxiga, and Wegovy.
- Other drugs with the highest increase included biological immunological drugs such as Stelara, Humira, Risankizumab, and Dupixent. Consistent with these findings, other industry reports affirm that biologics, diabetes, and weight loss drugs rank among the most expensive and rapidly expanding drugs.

Top 5 Drugs with the Highest Year-Over-Year Increase in Total Spending

Top Five Generic Drugs

Prescription Drug Name	Therapy Class
DEXTROAMPHETAMINE	Central Nervous System Agents
CYCLOSPORINE	Immunological Agents
SODIUM SULFATE/POTASSIUM	Laxatives
AMOXICILLIN	Antibacterials
ERTUGLIFLOZIN PIDOLATE	Respiratory Tract/Pulmonary Agents

Top Five Specialty Drugs

Prescription Drug Name	Therapy Class
OZEMPIC	Blood Glucose Regulators
WEGOVY	Anti-Obesity Agents
RISANKIZUMAB	Antipsoriatics
DUPIXENT	Dermatological Agents; Immunological Agents
STELARA	Immunological Agents

Top Five Brand Name Drugs

Prescription Drug Name	Therapy Class
OZEMPIC	Blood Glucose Regulators
JARDIANCE	Blood Glucose Regulators
VICTOZA	Blood Glucose Regulators
PFIZER COVID-19 VACCINE	Viral Vaccines
FARXIGA	Blood Glucose Regulators

Questions