

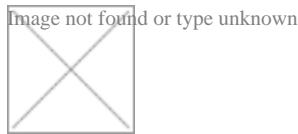


Weekly Checkup

High Prescription Drug Costs Affecting Very Few Patients

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Medicare spends 15 percent of its total budget on prescription medications —mostly due to high utilization, rather than high drug costs. The top 80 drugs, by cost and volume, are used by 18.7 million Medicare Part B and Part D beneficiaries and cost Medicare and private plan sponsors nearly \$50 billion in 2014.^[1] This is according to [data](#) published by the Centers for Medicare and Medicaid Services (CMS). Using a weighted average to account for the low use of the most expensive drugs—shown in the chart below— reveals a different picture. For the top 40 Part B drugs, the weighted average total spending per user is \$6,517. Given 20 percent cost share required of beneficiaries in Part B, the cost to the patient averages \$1,292 annually. For Part D, the weighted average spending per user totals \$2,424. Average cost-sharing for Part D beneficiaries for these drugs is 6.5 percent, costing beneficiaries, on average, \$288 annually. Drugs with total annual spending over \$10,000 per user (of which there are 38) are used by only 1 percent of all Medicare beneficiaries and account for only 3 percent of the total Medicare budget in 2014.



^[1] In total, 80 drugs were chosen, 40 for each program. Drugs were chosen based on the following criteria: top 15 for total spending, top 15 for spending per user, and/or top 10 highest annual unit cost increases.