

Department of
Health Policy



SCHOOL OF MEDICINE
VANDERBILT UNIVERSITY

Patient Out-of-Pocket Spending on Physician Administered Drugs

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Physician-Administered Drugs 101

- Covered under the health plan's medical benefit.
- Reimbursement model is average sales price plus 6% (4.3% with sequestration) for Medicare.
- Spending has grown 9.8% per year between 2010 and 2016 under Part B.



Top 10 Part B Drugs in 2018

Brand Name	Total Spending	Total Beneficiaries	Average Spending Per Claim	Average Spending Per Beneficiary	Average Sales Price
Eylea	\$2,573,938,387	240,910	\$2,096.02	\$10,684.23	\$968.93
Keytruda	\$1,813,727,267	35,491	\$9,001.49	\$51,103.86	\$48.62
Opdivo	\$1,715,907,188	32,846	\$7,166.51	\$52,240.98	\$27.16
Rituxan	\$1,699,302,442	70,845	\$6,801.70	\$23,986.20	\$899.17
Prolia*	\$1,416,968,973	533,286	\$1,314.35	\$2,657.05	\$18.16
Neulasta	\$1,370,995,237	88,742	\$4,344.66	\$15,449.23	\$4,587.94
Lucentis	\$1,215,701,656	123,389	\$1,964.23	\$9,852.59	\$376.59
Remicade	\$1,149,653,207	52,085	\$3,876.03	\$22,072.64	\$82.96
Avastin	\$1,011,988,293	224,023	\$1,051.93	\$4,517.34	\$77.98
Herceptin	\$821,766,302	20,586	\$4,380.53	\$39,918.70	\$102.39

What You Pay Depends on
If and How You are Insured.



BlueCross BlueShield
of Massachusetts

HMO BLUE CLAIM SUMMARY

000025109

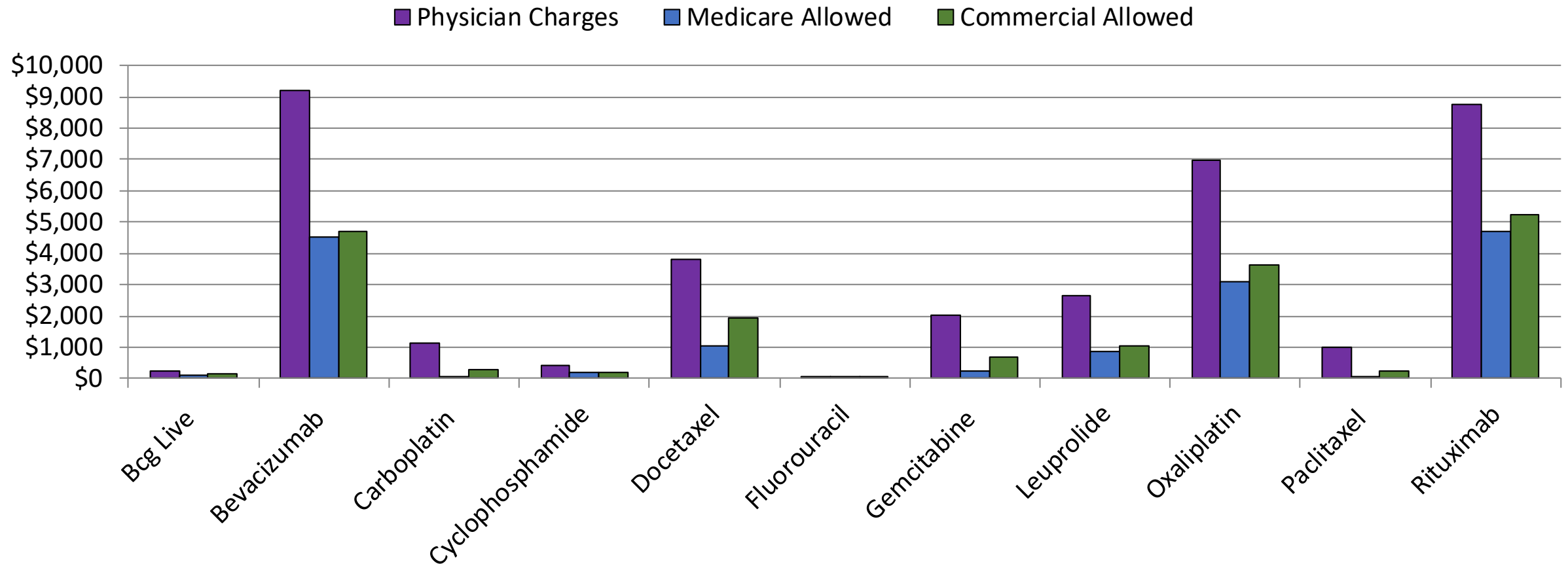
This notice explains how we processed your claims; it is not a bill. Please look this over and we've explained what you should do if you have any questions or disagree with how we processed your claim. Please keep this for your tax and medical records.

An Independent Licensee of the Blue Cross and Blue Shield Association

PROVIDER/ SERVICES	DATES OF SERVICE	UNITS	AMOUNT CHARGED	AMOUNT ALLOWED	YOUR CO-PAY
MEMBER: DAVID E			CLAIM #: 23112492628502		
PROVIDER: CARL GUSTAFSON PC DBA SPOR					
PHYSICAL THERAPY	08/31/11-08/31/11	1	75.00	18.63	18.63
PHYSICAL THERAPY	08/31/11-08/31/11	1	50.00	19.95	6.37
PHYSICAL THERAPY	08/31/11-08/31/11	1	50.00	21.74	0.00
PHYSICAL THERAPY	08/31/11-08/31/11	1	50.00	20.99	0.00
TOTAL			225.00	81.31	25.00
GRAND TOTAL			225.00	81.31	25.00

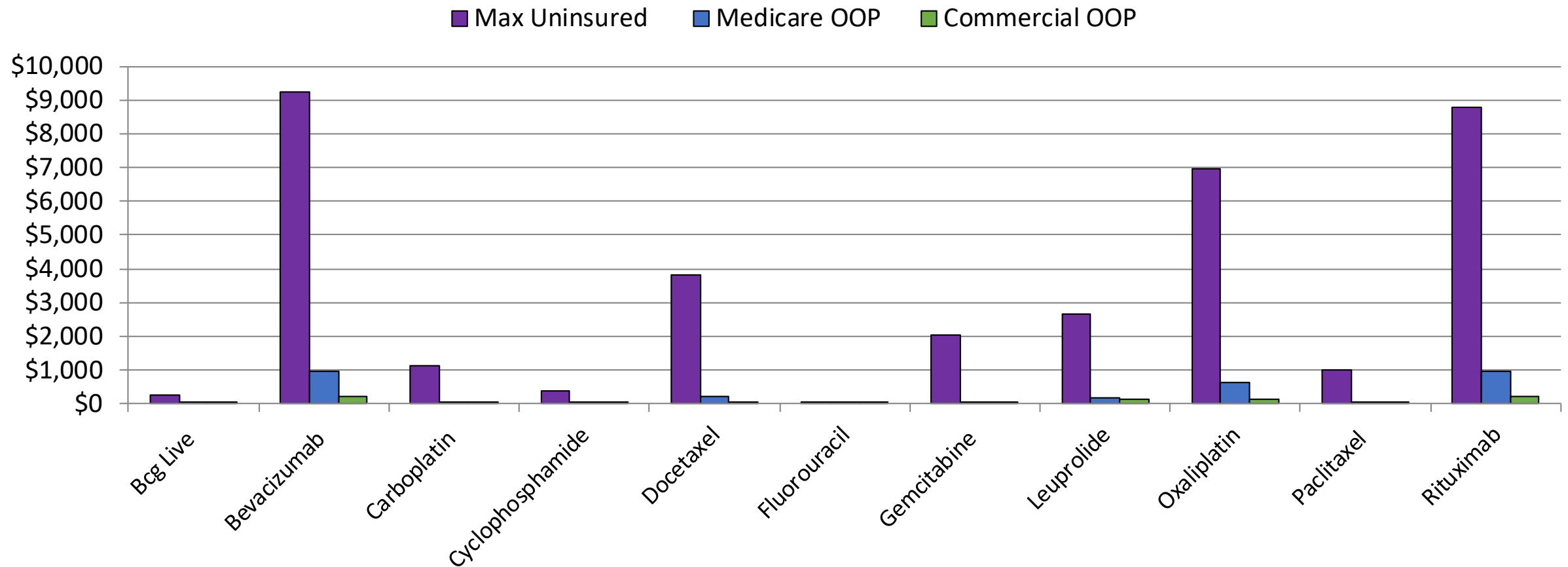
Charges & Payments by Drug

Dusetzina SB, Basch E, Keating NL. For uninsured cancer patients, outpatient charges can be costly, putting treatments out of reach. Health Aff (Millwood). 2015 Apr;34(4):584-91.

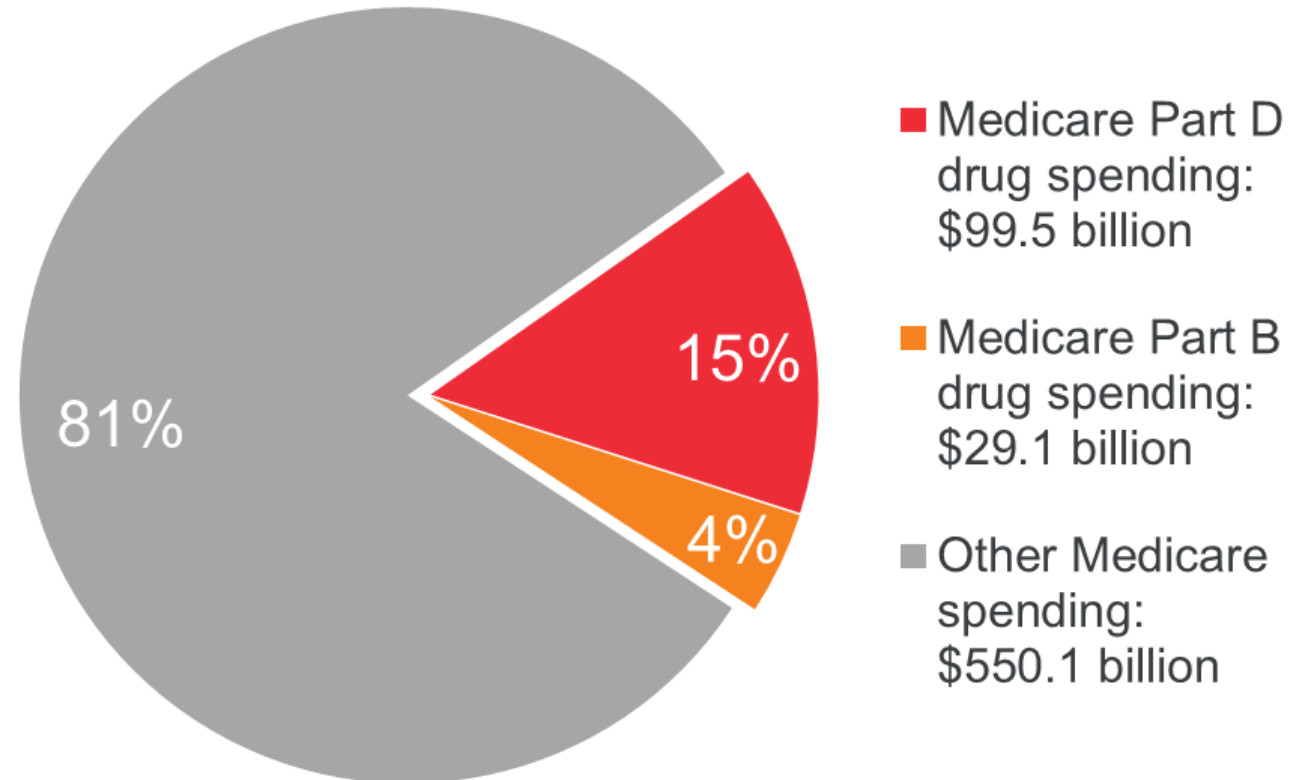


Estimated Patient Liability

Dusetzina SB, Basch E, Keating NL. For uninsured cancer patients, outpatient charges can be costly, putting treatments out of reach. Health Aff (Millwood). 2015 Apr;34(4):584-91.



Medicare Part B in Context

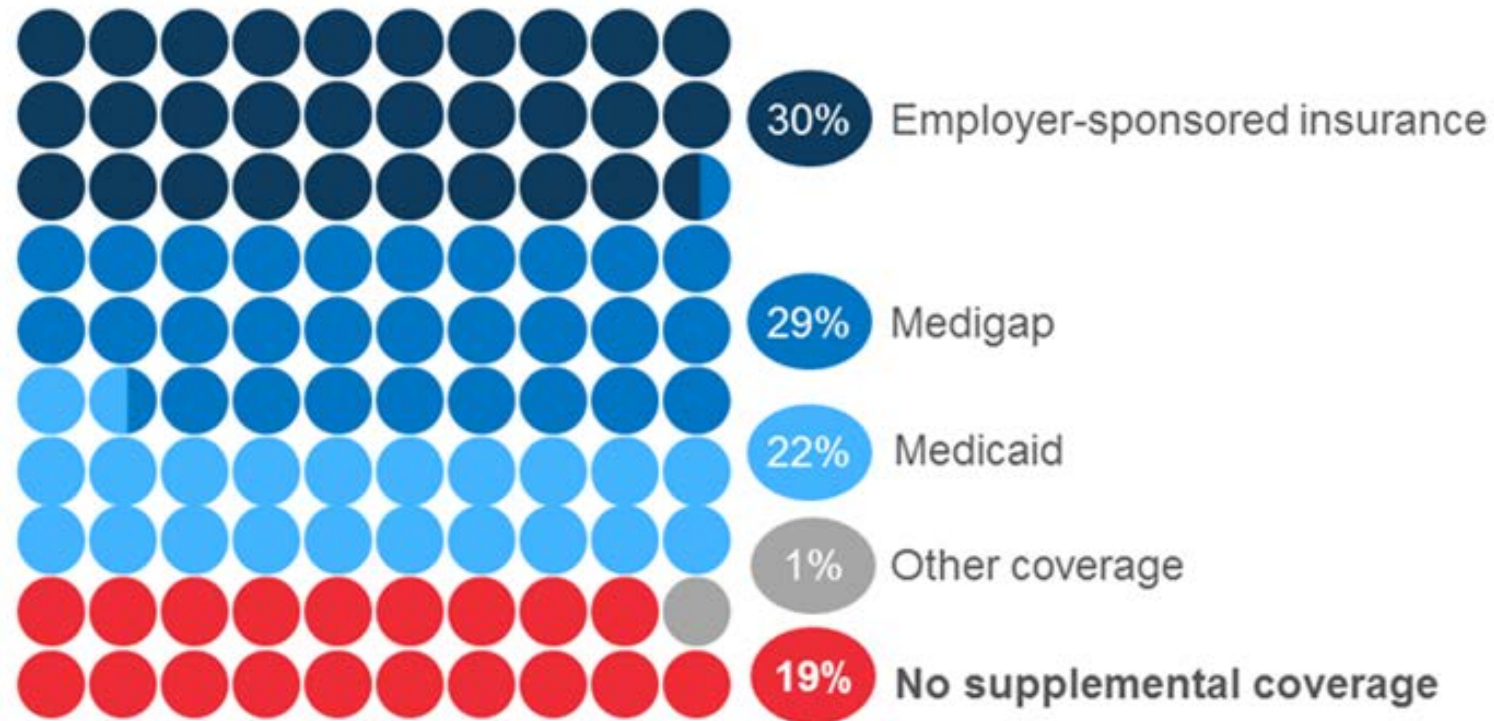


Total Medicare Drug Spending in 2016 = \$128.6 billion

Total Medicare Spending in 2016 = \$678.7 billion

SOURCE: MedPAC, June 2018 Data Book (Part B drug spending) and 2017 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, Tables III.D1 and V.B1.

Supplemental Coverage in Part B

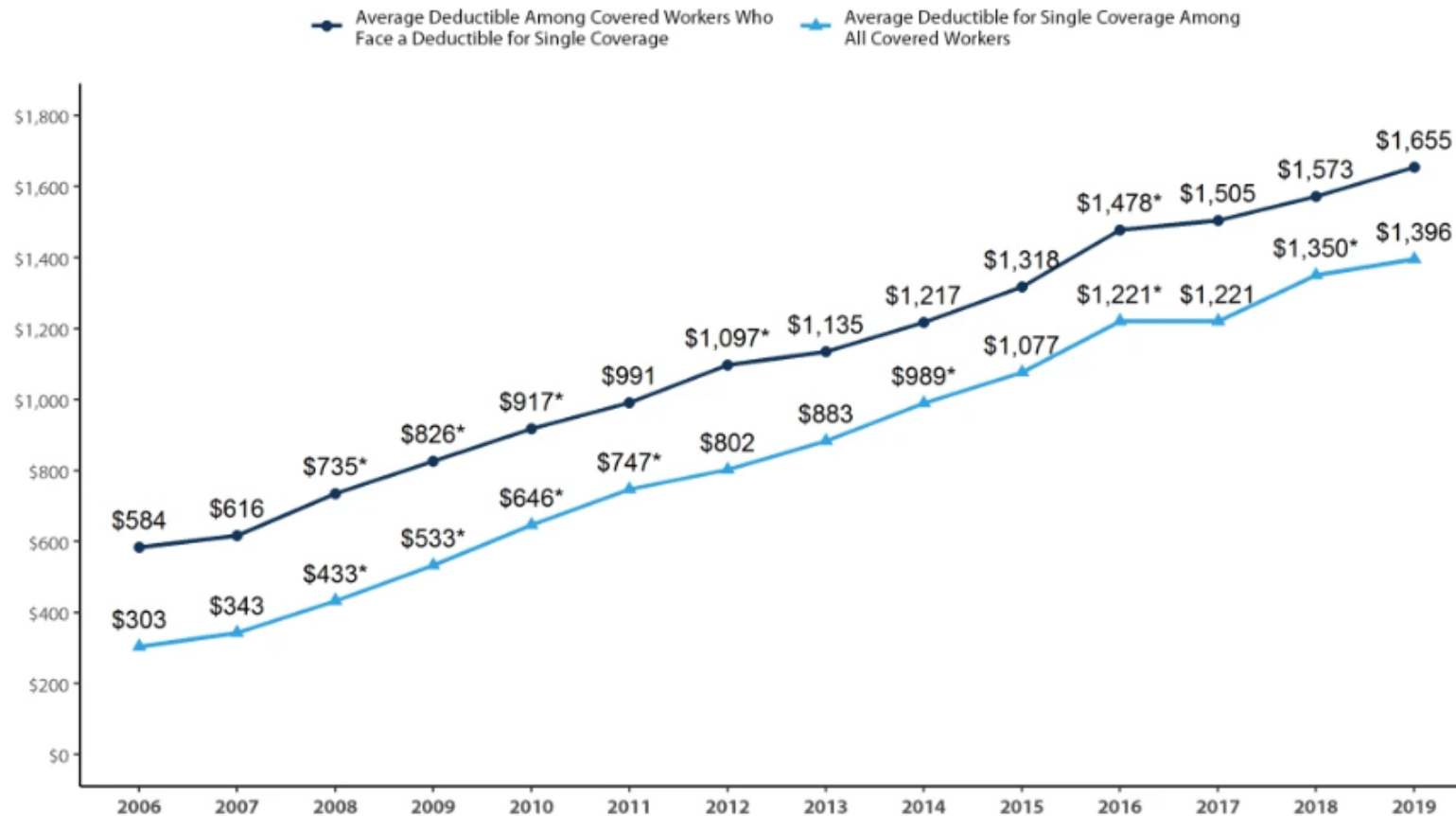


2016 Total = 32.4 Million Traditional Medicare Beneficiaries

NOTE: Total excludes beneficiaries with Part A only or Part B only for most of the year (n=4.4 million) or Medicare as a Secondary Payer (n=2.0 million), and beneficiaries in Medicare Advantage.

SOURCE: KFF analysis of Centers for Medicare & Medicaid Services 2016 Medicare Current Beneficiary Survey.

Deductibles on the Rise in Employer Sponsored Plans

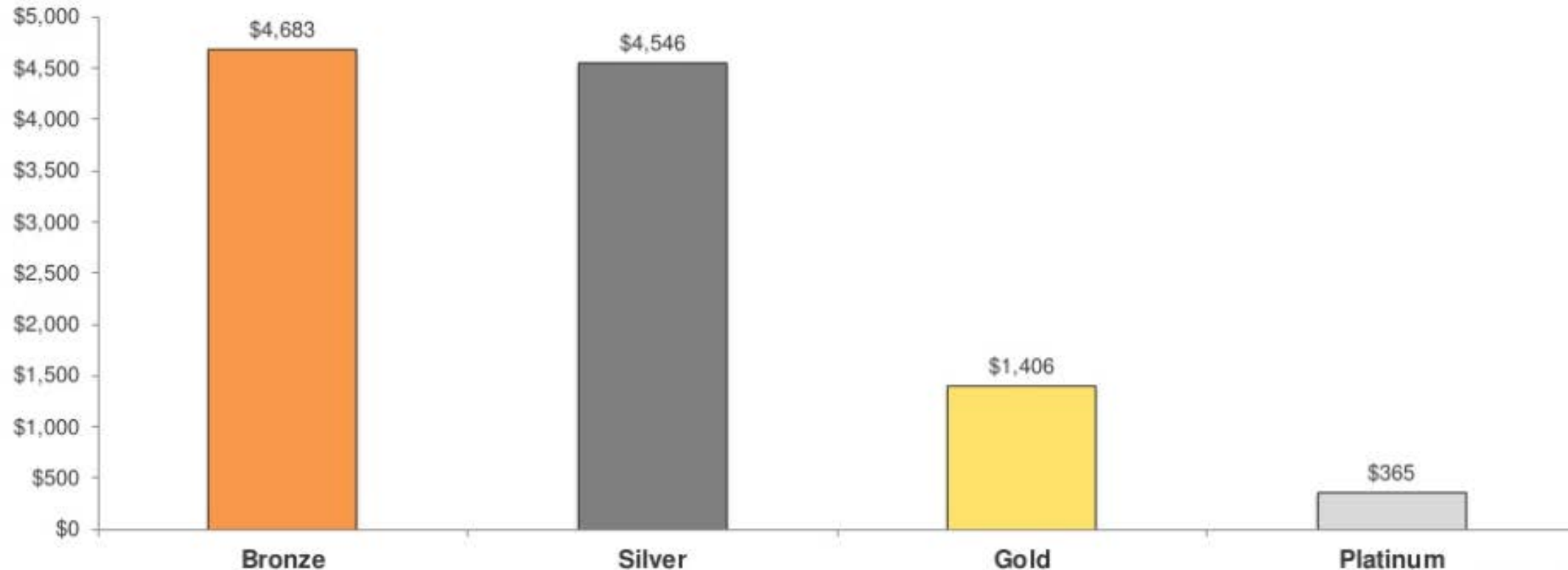


* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

NOTE: Average general annual deductibles are among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.

SOURCE: KFF Employer Health Benefits Survey, 2018-2019; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

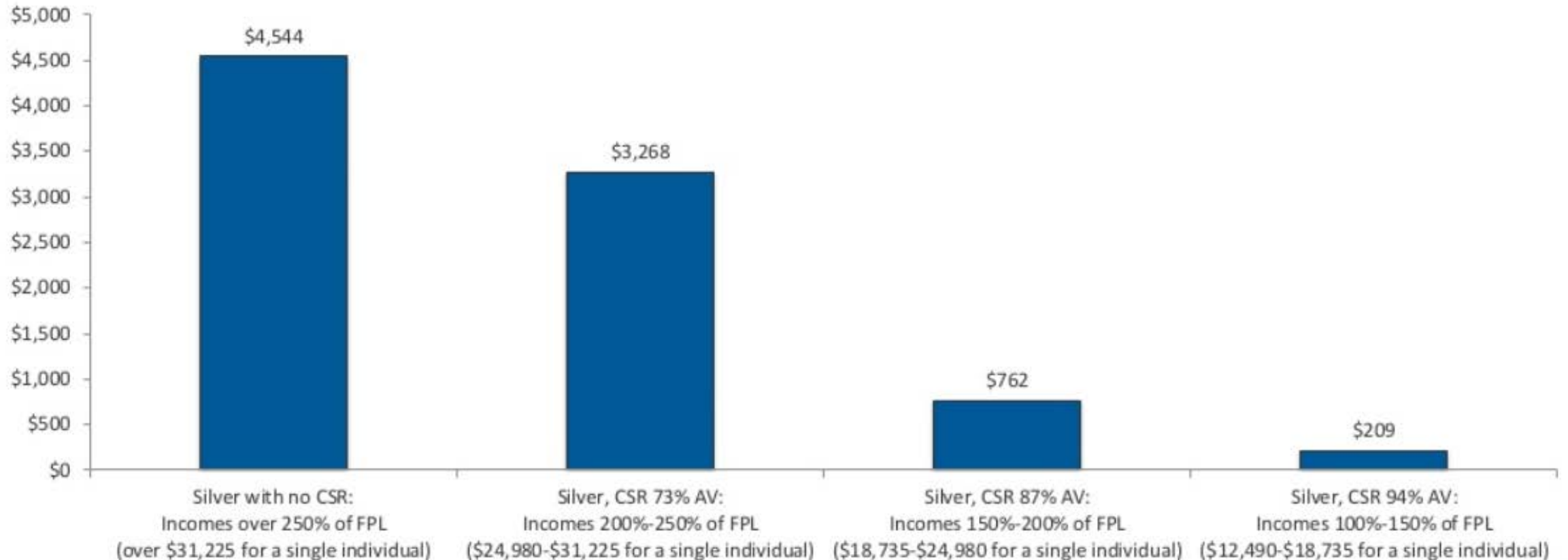
Exchange Plan Deductibles by Metal Level



SOURCE: Kaiser Family Foundation analysis of Marketplace plans in states with Federally Facilitated or Partnership exchanges in 2020 (including Arkansas, New Mexico, Oregon, and Kentucky). Data are from Healthcare.gov. Health plan information for individuals and families available here: <https://www.healthcare.gov/health-plan-information-2020/>



Deductibles for Silver Plans with Cost-Sharing Reduction



SOURCE: Kaiser Family Foundation analysis of Marketplace plans in states with Federally Facilitated or Partnership exchanges in 2020 (including Arkansas, New Mexico, Oregon, and Kentucky). Data are from Healthcare.gov. Health plan information for individuals and families available here: <https://www.healthcare.gov/health-plan-information-2020/>. FPL refers to Federal Poverty Level. CSR refers to Cost-Sharing Reduction. AV refers to Actuarial Value. Income cut-offs are poverty thresholds for a household of one.

Patient Cost Sharing and Drug Waste

- Medicare beneficiaries without supplemental insurance or out-of-pocket limits for medical spending face substantial out-of-pocket costs.
- Commercially-insured individuals with high deductibles and coinsurance requirements may also face affordability challenges for Part B drugs.
- Unclear if eliminating waste by reducing the number of vials needed will result in savings.
 - Firms could respond by raising prices.

Questions?



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