



Prescription Drug Cost Transparency Report (SB 17)

Measurement Year 2017

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I. Executive Summary

The California Department of Managed Health Care (DMHC) protects consumers' health care rights and ensures a stable health care delivery system. As part of this mission, the DMHC licenses and regulates health care service plans (health plans) under the Knox-Keene Health Care Service Plan Act of 1975. The DMHC regulates the vast majority of commercial health plans and products in the large group, small group, and individual markets, including most of the health plans that participate in Covered California.

Senate Bill (SB) 17 (Hernandez, Chapter 603, Statutes of 2017), as codified in Health and Safety Code section 1367.243, requires health plans and health insurers that file rate information with the DMHC or the California Department of Insurance (CDI) to annually report specific information related to the costs of covered prescription drugs. Prescription drug data was submitted by 25 health plans for measurement year 2017.¹

This report looks at the impact of the cost of prescription drugs on health plan premiums. The DMHC considered the total volume of prescription drugs prescribed by health plans and the total cost paid by health plans for these drugs, on both an aggregate spending level and a per member per month basis ("PMPM"). The DMHC also analyzed how the 25 most frequently prescribed drugs, the 25 most costly drugs, and the 25 drugs with the highest year-over-year increase in total annual spending impacted premiums.

Key Findings

- Health plans paid nearly \$8.7 billion for prescription drugs in 2017.
- Prescription drugs accounted for 13.1 percent of total health plan premiums.²
- Health plans' prescription drug costs increased by 5 percent in 2017, whereas medical expenses increased by 5.9 percent. Overall, total health plan premiums increased 4.8 percent from 2016 to 2017.
- Manufacturer drug rebates equaled approximately \$915 million or about 10.5 percent of the \$8.7 billion spent on prescription drugs.
- While specialty drugs accounted for only 1.6 percent of all prescription drugs, they accounted for over half (51.5 percent) of total annual spending on prescription drugs.³
- Generic drugs accounted for nearly 90 percent (87.8 percent) of all prescribed drugs but only 23.6 percent of the total annual spending on prescription drugs.

¹ 26 health plans were required to submit data to DMHC; however, one health plan did not offer prescription drug benefits and thus did not have any data to report. A list of the health plans that submitted data pursuant to SB 17 is attached in Appendix B.

² The figures in this report include only those prescription drugs dispensed through retail or mail order pharmacies, and do not include drugs that are provided in a hospital, administered in a doctor office, or otherwise paid for through capitated payments to delegated providers. Therefore, 13.1 percent of premium does not capture all costs of prescription drugs paid by health plans, rather only those that are itemized as part of the health plans' pharmacy benefit.

³ "Specialty Drug" is a drug with a plan- or insurer-negotiated monthly cost that exceeds the threshold for a specialty drug under the Medicare Part D program (Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173)). In 2018, the threshold amount is \$670 for a one-month supply.

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- Brand name drugs accounted for 10.6 percent of prescriptions and constituted 24.8 percent of the total annual spending on prescription drugs. The 25 Most Frequently Prescribed Drugs represented 47.7 percent of all drugs prescribed and approximately 42.8 percent of the total annual spending on prescription drugs.
 - For the 25 Most Frequently Prescribed Drugs enrollees paid approximately 3 percent (2.9 percent) of the cost of specialty drugs and over half (56.6 percent) of the cost of generics.
 - Overall, plans paid over 90 percent (91.2 percent) of the cost of the 25 Most Costly Drugs across all three categories (generic, brand name and specialty).

II. Introduction/Background

In 2017, California enacted SB 17 with the purpose of increasing transparency of prescription drug costs. SB 17 requires health plans and health insurers that file rate information with the DMHC and/or the CDI to report specific data related to prescription drugs beginning October 1, 2018, and annually thereafter. In addition, SB 17 requires drug manufacturers to provide advance notification of significant prescription drug cost increase and makes public certain information associated with these increases.⁴

SB 17 requires the DMHC to issue an annual report that summarizes how prescription drug costs impact health plan premiums. The DMHC worked with stakeholders to develop a template for health plan submission of the required data. Specifically, health plans reported the following categories of information for individual and small group plans:

- a. the 25 prescription drugs most frequently prescribed to health plan enrollees;
- b. the 25 most costly prescription drugs by total annual health plan spending; and
- c. the 25 prescription drugs with the highest year-over-year increase in total annual plan spending.

The data includes the proprietary drug names and therapy classes for generic, brand name, and specialty drugs. The number of prescriptions was measured in terms of units.⁵ For the 2017 reporting year, 25 commercial health plans submitted data. The DMHC compiled and aggregated this data to ensure health plans' specific data remained confidential.

In addition, SB 17 requires health plans that file annual large group rate information to the DMHC and CDI to also file specified information regarding plan spending and year-over-year cost increases for covered prescription drugs. Large group rate information will be included in the DMHC's annual public meeting regarding large group rates but is not discussed in this report.

⁴ Notification of prescription drug cost increases is overseen by the Office of Statewide Health Planning and Development (OSHPD).

⁵ A 30-day supply of a prescription drug is 1 unit; while a supply of 31 to 60-days is 2 units, and a more than 60-day supply is 3 units.

III. Overall Impact of Prescription Drug Costs on Premiums

The DMHC evaluated the overall impact of the cost of prescription drugs on total health plan premiums by calculating the portion of the premium dollars that health plans spent on prescription drugs in 2017.⁶ This was analyzed on an aggregate spending level and on a per member per month basis (“PMPM”). PMPM calculations display the portion of the premium that was spent on a per member basis, whereas total spending calculations do not take into account changes in enrollment that may have caused changes in spending.

As described in Tables 1 and 2, the portion of total health plan premiums spent on prescription drugs in 2017 reached almost \$8.7 billion or \$58.73 PMPM. These expenses represented 13.1 percent of total health plan premiums.² Although this percentage of total premium remained steady from 2016 to 2017, total prescription drug costs increased by 5 percent in 2017. Medical expenses made up 77 percent, or over \$51 billion, of total health plan premiums. Medical expenses increased by 5.9 percent, a slightly higher rate than prescription drug expenses. In contrast, administrative expenses increased by only 3.6 percent from 2016 to 2017.

Manufacturer drug rebates totaled approximately \$915 million (or \$6.18 PMPM) in 2017 compared to \$884 million (or \$6.01 PMPM) in 2016, an increase of 3.5 percent from 2016 to 2017. These rebates helped mitigate some of the overall impact of rising prescription drug prices by reducing the total health plan premium by approximately 1.4 percent.

⁶ Total health plan premium is the total amount the health plan paid for medical and prescription drug benefits by the plan and includes manufacturer rebates as well as administrative and other expenses related to medical claims and prescription drug coverage. Total health plan premium excludes member cost sharing.

Table 1

Impact of Prescription Drugs on Premiums (in millions)

Category of Premium Payment	2017	Percentage of Premium	2016	Percentage of Premium	YOY ⁷ Percentage Change
Prescription Drug Expenses	\$8,699	13.1% ²	\$8,284	13.1%	5.0%
Medical Expenses	\$51,235	77.0%	\$48,378	76.2%	5.9%
Manufacturer Drug Rebates	(\$915)	-1.4%	(\$884)	-1.4%	3.5%
Administrative Expenses ⁸	\$5,358	8.1%	\$5,170	8.1%	3.6%
Other Expenses ⁹	\$2,134	3.2%	\$2,512	4.0%	-15.1%
Total Health Plan Premium	\$66,511	100.0%	\$63,460	100.0%	4.8%
Member Months ¹⁰ (in millions)	148.1		147.1		0.7%

⁷ "Year-over-Year" measures the change from 2016 to 2017.

⁸ Administrative expenses are expenses associated with the overall management and operation of the health plan (e.g., claims processing expenses, salaries and benefits, solicitation fees, etc.)

⁹ Other expenses are expenses related to medical claims and prescription drug cost (e.g. taxes & fees) not included in the other line items.

¹⁰ Member months is the sum of the total members covered by the health plans for each month over a period of time. If a member is covered in a health plan for 12 months, then the total member months for the coverage period is 12.

Table 2

Impact of Prescription Drugs on Premiums by Per Member per Month (PMPM)

Category of Premium Payment	2017	Percentage of Premium	2016	Percentage of Premium	YOY Percentage Change
Prescription Drug Expenses	\$58.73	13.1% ²	\$56.33	13.1%	4.3%
Medical Expenses	\$345.89	77.0%	\$328.97	76.2%	5.1%
Manufacturer Drug Rebates	(\$6.18)	-1.4%	(\$6.01)	-1.4%	2.8%
Administrative Expenses	\$36.17	8.1%	\$35.16	8.1%	2.9%
Other Expenses	\$14.41	3.2%	\$17.08	4.0%	-15.6%
Total Health Plan Premium	\$449.02	100.0%	\$431.52	100.0%	4.1%
Member Months (in millions)	148.1		147.1		0.7%

Tables 3 and 4 show the portion of total annual spending on prescription drugs that was spent on generic, brand name, and specialty drugs. Total annual spending on prescription drugs is the total amount paid by health plans and enrollees for prescription drugs, excluding any manufacturer rebates.

These tables highlight how specialty drugs account for a small portion of the total drugs prescribed, but make up an overwhelming portion of the total annual spending on prescription drugs. For example, generic drugs accounted for nearly 90 percent of all prescribed drugs, but represented 23.6 percent (\$15.32 PMPM) of the total annual spending on prescription drugs in 2017. Conversely, specialty drugs accounted for only 1.6 percent of all drugs prescribed, but represented 51.5 percent (or \$33.41 PMPM) of the total annual spending on prescription drugs.

Table 3

Volume of Prescription Drugs and Total Annual Plan Spending

	Generic	Brand Name	Specialty	Overall
Volume of All Prescription Drugs	87.8%	10.6%	1.6%	100.0%
Annual Spending on All Prescription Drugs*	23.6%	24.8%	51.5%	100.0%

* Total annual spending on prescription drugs is the total amount spent by the health plan and enrollees on prescription drugs, excluding any manufacturer rebates.

Table 4

Total Annual Spending on Prescription Drugs by Per Member Per Month (PMPM)

	Generic	Brand Name	Specialty	Overall
Annual Spending on All Prescription Drugs*	\$15.32	\$16.08	\$33.41	\$64.81
Number of Prescriptions (in millions)	104.8	12.6	1.9	119.3
Total Member Months for Pharmacy Benefits Carve-in (in millions)				148.1

* Total annual spending on prescription drugs is the total amount spent by the health plan and enrollees on prescription drugs, excluding any manufacturer rebates.

IV. 25 Most Frequently Prescribed Drugs

Health plans reported specific data on the 25 most frequently prescribed drugs. This data has been aggregated in the charts in Appendix C. In 2017, the 25 most frequently prescribed drugs accounted for approximately 47.7 percent of all prescribed drugs and approximately 42.8 percent of the total annual spending on prescription drugs.

The 25 most frequently prescribed drugs accounted for approximately 5.4 percent of the total health plan premium. (All prescription drug costs represented 13.1 percent of premiums.²) The 25 most frequently prescribed generic drugs accounted for 39.9 percent of all prescriptions but only 4.8 percent of the total annual spending on prescription drugs and made up only 0.3 percent of the total health plan premium. In contrast, the 25 most frequently prescribed specialty drugs accounted for only 1 percent of all prescriptions but 25.4 percent of the total annual spending on prescription drugs and made up 3.6 percent of the total health plan premium.

Table 5 summarizes the 25 most frequently prescribed drugs by total annual spending on prescription drugs.

Table 5

25 Most Frequently Prescribed Drugs by Percentage

All Drugs	25 Most Frequently Prescribed Drugs				All Other Prescribed Drugs	Total
	Generic	Brand Name	Specialty	Overall		
Total Percentage of Prescription Drugs	39.9%	6.8%	1.0%	47.7%	52.3%	100.0%
Total Annual Spending on Prescription Drugs*	4.8%	12.6%	25.4%	42.8%	57.2%	100.0%
Impact on Total Health Plan Premiums	0.3%	1.6%	3.6%	5.4%	7.7%	13.1% ²

* Total annual spending on prescription drugs is the total amount spent by the health plan and enrollees on prescription drugs, excluding any manufacturer rebates.

Table 6 summarizes the 25 most frequently prescribed drugs by PMPM dollar amounts. The PMPM calculations were made using the total annual health plan spending on prescription drugs, which excludes both enrollee cost sharing and manufacturer rebates.

The total annual health plan spending on prescription drugs in 2017 was \$58.73 PMPM. Of this amount, the 25 most frequently prescribed generic, brand name, and specialty drugs accounted for \$1.34, \$7.06, and \$15.97, respectively of the PMPM. Overall, the 25 most frequently prescribed drugs accounted for \$24.37 of the PMPM.

Table 6

25 Most Frequently Prescribed Drugs by PMPM

Category	PMPM Amount	Percentage of Total Annual Spending
Generic Drugs	\$1.34	2.3%
Brand Name Drugs	\$7.06	12.0%
Specialty Drugs	\$15.97	27.2%
25 Most Frequently Prescribed Drugs Total	\$24.37	41.5%
Total Annual Health Plan Prescription Drug Spending*	\$58.73	100.0%

* Total annual health plan spending on prescription drugs is the total amount spent by the health plans on prescription drugs. This amount excludes enrollee cost sharing and manufacturer rebates.

Table 7 shows the portion of prescription drug costs paid by both health plans and enrollees. Health plans paid 87.9 percent of the costs for the 25 most frequently prescribed drugs. Health plans paid most of the costs of the 25 most frequently prescribed specialty drugs (97.1 percent) and brand name drugs (86.2 percent). Consumers paid over half (56.6 percent) of the cost of the 25 mostly frequently prescribed generic drugs.

Table 7

25 Most Frequently Prescribed Drugs by Health Plan and Enrollee Spending

Category	Total Annual Prescription Drug Spending by Health Plans (in millions)	Total Annual Prescription Drug Spending by Enrollees (in millions)	Total Annual Prescription Drug Spending (in millions)	Percentage Paid by Health Plans	Percentage Paid by Enrollees
Generic Drugs	\$198	\$258	\$456	43.4%	56.6%
Brand Name Drugs	\$1,045	\$168	\$1,213	86.2%	13.8%
Specialty Drugs	\$2,366	\$71	\$2,437	97.1%	2.9%
Total	\$3,609	\$497	\$4,106	87.9%	12.1%

V. 25 Most Costly Drugs by Total Annual Spending

This section analyzes the prescription drug information related to the 25 most costly drugs. Charts in Appendix C list the 25 most costly generic, brand name, and specialty drugs.

The 25 most costly drugs by total annual spending accounted for 30.5 percent of the total number of prescribed drugs and 52.5 percent of the total annual spending on prescription drugs in 2017. Of the 13.1 percent of total health plan premium that was spent on prescription drugs, the 25 most costly drugs accounted for nearly 7 percent.²

While the 25 most costly specialty drugs accounted for less than 1 percent (0.8 percent) of all prescriptions, they represented 30.5 percent of the total annual prescription drug spending and approximately 4.3 percent of the overall total health plan premiums. Conversely, the 25 most costly generic drugs accounted for nearly 25 percent (23.8 percent) of all prescribed drugs, but had an impact of less than 10 percent (7.7 percent) on the total annual spending on prescription drugs. Generic drugs accounted for less than 1 percent (0.8 percent) of health plan premiums.

Table 8 summarizes the 25 most costly drugs by total annual spending on prescription drugs.

Table 8

25 Most Costly Prescribed Drugs by Total Annual Spending

Category	25 Most Costly Prescribed Drugs				All Other Prescribed Drugs	Total
	Generic	Brand Name	Specialty	Overall		
Total Percentage of Prescription Drugs	23.8%	5.9%	0.8%	30.5%	69.5%	100.0%
Total Annual Spending on Prescription Drugs*	7.7%	14.3%	30.5%	52.5%	47.5%	100.0%
Impact on Total Health Plan Premiums	0.8%	1.8%	4.3%	6.9%	6.2%	13.1% ²

* Total annual spending on prescription drugs is the total amount spent by the health plan and enrollees on prescription drugs, excluding any manufacturer rebates.

The 25 most costly drugs by PMPM dollar amounts are summarized in Table 9. The PMPM calculations were made using the total annual health plan spending on prescription drugs, which excludes both enrollee cost sharing and manufacturer rebates.

The total annual health plan spending on prescription drugs in 2017 was \$58.73 PMPM. Of this amount, the 25 most costly generic, brand name, and specialty drugs accounted for \$3.56, \$8.20, and \$19.30, of the PMPM respectively. Overall, the 25 most costly drugs accounted for \$31.06 of the PMPM.

Table 9
25 Most Costly Drugs by PMPM

Category	PMPM	Percentage of Total Prescription Drug Spending
Generic Drugs	\$3.56	6.1%
Brand Name Drugs	\$8.20	14.0%
Specialty Drugs	\$19.30	32.9%
25 Most Costly Drugs Total	\$31.06	52.9%
Total Annual Health Plan Prescription Drug Spending*	\$58.73	100.0%

* Total annual health plan spending on prescription drugs is the total amount spent by the health plans on prescription drugs. This amount excludes enrollee cost sharing and manufacturer rebates.

Table 10 shows the portion of prescription drug costs that were paid by both health plans and enrollees. For the 25 most costly drugs, health plans paid the vast majority (91.2 percent) of the costs. Health plans paid 97.5 percent of the 25 most costly specialty drugs and 71.6 percent of the 25 mostly costly generic drugs.

Health plans spent \$4.6 billion on the top 25 most costly prescription drugs. Enrollees spent over \$440 million.

Table 10
25 Most Costly Drugs by Health Plan and Enrollee Spending

Category	Total Prescription Cost Paid by Health Plans (in millions)	Member Cost Sharing (in millions)	Total Annual Spending for Prescription Drugs (in millions)	Percentage Paid by Health Plans	Percentage Paid by Enrollees
Generic Drug	\$528	\$209	\$736	71.6%	28.4%
Brand Name Drug	\$1,214	\$160	\$1,374	88.4%	11.6%
Specialty Drug	\$2,859	\$74	\$2,933	97.5%	2.5%
Total	\$4,601	\$443	\$5,043	91.2%	8.8%

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

Table 11 summarizes the 25 drugs with highest year-over-year increase in total annual spending from 2016 to 2017. The 25 specialty drugs with the highest year-over-year increase in spending accounted for one-quarter (24.2 percent) of the total annual spending on prescription drugs. The 25 generic drugs with the highest year-over-year increase accounted for only 4.7 percent of the total annual spending on prescription drugs. Overall, the 25 drugs with the highest year-over-year increases in spending accounted for 39.7 percent of the total annual spending on prescription drugs.

Since health plan reporting did not include specific data on the change in volume of prescription drugs from 2016 to 2017, the DMHC is unable to discern whether the 25 drugs with the highest year-over-year increase in spending were due to increases in drug prices, increases in the volume of prescriptions, or some combination of both.

Table 11

25 Drugs with Highest Year-Over-Year Increase in Total Annual Spending from 2016 to 2017

Category	25 Drugs with Highest Year-Over-Year Increase from 2016 to 2017				All other Prescribed Drugs	Total
	Generic	Brand Name	Specialty	Overall		
Total Annual Spending on Prescription Drugs*	4.7%	10.7%	24.2%	39.7%	60.3%	100.0%

* Total annual spending on prescription drugs is the total amount spent by the health plan and enrollees on prescription drugs, excluding any manufacturer rebates.

VII. Conclusion

The impact of prescription drug costs on health plan premiums is significant. Health plans paid nearly \$8.7 billion for prescription drugs in 2017, which accounted for 13.1 percent of the total health plan premium in 2017.² This amount is primarily related to the cost of specialty drugs. Overall, specialty drugs accounted for just over 1 percent of the total number of drugs prescribed, but represented over half of the health plans' total annual spending on prescription drugs. Generic drugs made up nearly 90 percent of all the drugs prescribed in 2017 but represented only about one-quarter of total annual spending on prescription drugs.

This is the first annual report the DMHC has prepared on prescription drug costs since the enactment of SB 17 in 2017. The report begins to shed some light on the impact of prescription drug costs on health care premiums. The DMHC will continue to collect and report on the data required by SB 17 which will enable the public to understand how prescription drugs impact health care premiums over time.

² The figures in this report include only those prescription drugs dispensed through retail or mail order pharmacies, and do not include drugs that are provided in a hospital, administered in a doctor office, or otherwise paid for through capitated payments to delegated providers. Therefore, 13.1 percent of premium does not capture all costs of prescription drugs paid by health plans, rather only those that are itemized as part of the health plans' pharmacy benefit.

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Appendices

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Prescription Drug Cost Transparency Report (SB 17)

Measurement Year 2017

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Appendix A:

Summary of Data Limitations, Data Aggregation Methods, and Assumptions

In developing this report, the DMHC relied on data and information provided by 26 health care service plans. The DMHC did not audit the data sources for accuracy; however, the DMHC reviewed them for reasonableness. The accuracy of the data is limited to the quality of information provided by the plans.

Each health care service plan provided a list of its 25 most frequently prescribed drugs, its 25 most costly drugs, and the 25 drugs with the highest dollar increase in spending from 2016 to 2017. This data was provided separately for generic, brand name, and specialty drugs. In total, each health care service plan provided nine lists of drugs, each with 25 entries.

The lists of drugs provided by the health care service plans were aggregated by prescription drug name. In addition to the drug name, the plans provided National Drug Codes (NDC) codes for each drug. The NDCs were cross-referenced against the drug name to ensure names of drugs were aggregated appropriately.

Two common inconsistencies were observed when aggregating the drugs by name and cross-referencing the NDC. First, two drugs with the same NDCs may have been given different variations of a name by different plans. For example, Plan A assigns the drug name for a group of NDCs as Advair while Plan B assigns the name Advair Diskus to the same set of NDCs. In this case, it was assumed these two plans were referencing the same drug and were given a common name (e.g., Advair). Second, for a given set of NDC codes, two plans may have assigned a varying number of drug names. For instance, Plan A references a given set of NDCs as Metformin HCL while Plan B separates those same NDCs between Metformin HCL and Metformin HCL ER. In this case, because Plan A's list does not provide the additional breakdown, we use a common name (e.g., Metformin HCL).

In the process of aggregating the data, a program was used to cross-reference differing drug names which referenced the same NDCs. Manual checks were then performed to ensure that drugs with naming inconsistencies were combined appropriately.

Once aggregated, the prescription drugs were sorted by the total number of prescriptions for the 25 most frequently prescribed drugs, the total annual prescription drug spending in 2017 for the 25 most costly drugs, and the total dollar amount increase in spending from 2016 to 2017 for the 25 drugs with the highest increase. From there, the top 25 drugs were selected from each category which appear in Appendix C. The analysis within this report is related to the drugs listed in those tables.

It should be noted that, because only a top 25 list was provided by the health care service plans, the analysis is not based on total spending and prescriptions by these plans. For instance, if one plan had a drug at number 17 on its list and another plan had it at 28, the spending and prescriptions for that second plan would not have been provided. However, given that over 80 percent of the market is dominated by three plans and that across all nine lists the 25th drug is less than 0.5 percent of total prescription drug spending and less than 1 percent of spending within its respective generic, brand name, or specialty drug class, the DMHC believes the analysis is representative of the prescription drug market in the state of California.

Appendix A:

Summary of Data Limitations, Data Aggregation Methods, and Assumptions

Each prescription drug name was also associated with a therapy class relating to the therapeutic category in line with the United States Pharmacopeia standards. While some plans provided this information, others left this field blank or referenced other therapeutic classes. For consistency, the top 25 drugs were manually assigned a therapy class as shown in charts within Appendix C.

The plans aggregated total costs of drugs and total number of prescriptions by generic, brand name, and specialty drugs as well as the total amount the health plan paid (excluding rebates) in aggregate for generic, brand name, and specialty drugs.

The plans also provided their medical expenses, rebates, and other administrative expenses so the DMHC could develop at a total premium value.

Appendix B:

List of Health Plans Required to File Pursuant to SB 17

1	Aetna Health of California, Inc.
2	Alameda Alliance For Health
3	Blue Cross of California (Anthem Blue Cross)
4	California Physicians' Service (Blue Shield of California)
5	Chinese Community Health Plan
6	Cigna HealthCare of California, Inc.
7	Community Care Health Plan, Inc.
8	Contra Costa County Medical Services (Contra Costa Health Plan)
9	Health Net of California, Inc.
10	Kaiser Foundation Health Plan, Inc. (Kaiser Permanente)
11	Local Initiative Health Authority For Los Angeles County (L.A. Care Health Plan)
12	Medi-Excel, SA de CV (MediExcel Health Plan)
13	Molina Healthcare of California
14	Oscar Health Plan of California
15	San Francisco Community Health Authority
16	San Mateo Health Commission (Health Plan of San Mateo)
17	Santa Clara County (Valley Health Plan)
18	Santa Cruz-Monterey-Merced Managed Medical Care Commission (Central California Alliance for Health)
19	Scripps Health Plan Services, Inc.
20	Seaside Health Plan
21	Sharp Health Plan
22	Sistemas Medicos Nacionales, S.A.de C.V. (SIMNSA Health Plan)
23	Sutter Health Plan (Sutter Health Plus)
24	UHC of California (UnitedHealthcare of California)
25	Ventura County Health Care Plan
26	Western Health Advantage, Inc.

Appendix C:

Lists of Prescription Drugs

25 Most Frequently Prescribed Generic Drugs

Rank	Prescription Drug Name	Therapy Class
1	ATORVASTATIN	Cardiovascular Agents
2	LISINOPRIL	Cardiovascular Agents
3	METFORMIN	Blood Glucose Regulators
4	LEVOTHYROXINESODIUM	Hormonal Agents – Thyroid
5	AMLODIPINEBESYLATE	Cardiovascular Agents
6	LOSARTANPOTASSIUM	Cardiovascular Agents
7	HYDROCODONEBITARTRATEANDACETAMINOPHEN	Analgesics
8	SIMVASTATIN	Cardiovascular Agents
9	HYDROCHLOROTHIAZIDE	Cardiovascular Agents
10	IBUPROFEN	Anti-inflammatory Agents
11	OMEPRAZOLE	Gastrointestinal Agents
12	AMOXICILLIN	Antibacterials
13	ATENOLOL	Antimigraine Agents
14	SERTRALINE	Antidepressants
15	METOPROLOL	Antimigraine Agents
16	GLIPIZIDE	Blood Glucose Regulators
17	FLUOXETINE	Antidepressants
18	FLUTICASONE	Respiratory Tract Agents
19	MONTELUKASTSODIUM	Respiratory Tract Agents
20	PREDNISONE	Anti-inflammatory Agents
21	AZITHROMYCIN	Antibacterials
22	SILDENAFIL	Blood Products
23	LEVORA	Hormonal Agents – Sex Hormones/Modifiers
24	GABAPENTIN	Anticonvulsants
25	ALPRAZOLAM	Anxiolytics

Appendix C:

Lists of Prescription Drugs

25 Most Frequently Prescribed Brand Name Drugs

Rank	Prescription Drug Name	Therapy Class
1	VENTOLIN	Respiratory Tract Agents
2	HUMULIN	Blood Glucose Regulators
3	QVAR	Respiratory Tract Agents
4	SYNTHROID	Hormonal Agents – Thyroid
5	NUVARING	Hormonal Agents – Sex Hormones/Modifiers
6	ADDERALL	Central Nervous System Agents
7	LANTUS	Blood Glucose Regulators
8	HUMALOG	Blood Glucose Regulators
9	ADVAIR	Respiratory Tract Agents
10	PROAIR	Respiratory Tract Agents
11	VYVANSE	Central Nervous System Agents
12	K-TAB	Therapeutic Nutrients
13	DULERA	Respiratory Tract Agents
14	HUMULINR	Blood Glucose Regulators
15	ONETOUCH	Blood Glucose Regulators
16	JANUVIA	Blood Glucose Regulators
17	RETIN-A	Dermatological Agents
18	LOLOESTRINFE	Hormonal Agents – Sex Hormones/Modifiers
19	NITROFURANTOINMONOHYDRATE	Antibacterials
20	ACCU-CHEKAVIVAPLUS	Blood Glucose Regulators
21	CLIMARA	Hormonal Agents – Sex Hormones/Modifiers
22	ARMOURTHYROID	Hormonal Agents – Thyroid
23	FLUARIXQUADRIVALENT	Immunological Agents
24	PREMARIN	Hormonal Agents – Sex Hormones/Modifiers
25	FLOVENT	Respiratory Tract Agents

Appendix C:

Lists of Prescription Drugs

25 Most Frequently Prescribed Specialty Drugs

Rank	Prescription Drug Name	Therapy Class
1	TRUVADA	Antivirals
2	HUMIRA	Immunological Agents
3	ENBREL	Immunological Agents
4	GENVOYA	Antivirals
5	HUMALOG	Blood Glucose Regulators
6	VIREAD	Antivirals
7	ANDROGEL	Hormonal Agents – Sex Hormones/Modifiers
8	DESCOVY	Antivirals
9	SUPREPBOWELPREP	Gastrointestinal Agents
10	LATUDA	Antipsychotics
11	VICTOZA	Blood Glucose Regulators
12	TRIUMEQ	Antivirals
13	ATRIPLA	Antivirals
14	TRULICITY	Blood Glucose Regulators
15	ODEFSEY	Antivirals
16	TIVICAY	Antivirals
17	NOVOLOG	Blood Glucose Regulators
18	OTEZLA	Immunological Agents
19	LIALDA	Inflammatory Bowel Disease Agents
20	ZARXIO	Blood Products
21	XIFAXAN	Antibacterials
22	ARIPIPRAZOLE	Antipsychotics
23	ISENTRESS	Antivirals
24	METFORMINHYDROCHLORIDE	Blood Glucose Regulators
25	SENSIPAR	Metabolic Bone Disease Agents

Appendix C:

Lists of Prescription Drugs

25 Most Costly Generic Drugs by Total Annual Spending

Rank	Prescription Drug Name	Therapy Class
1	ATORVASTATIN	Cardiovascular Agents
2	LEVOTHYROXINESODIUM	Hormonal Agents – Thyroid
3	METHYLPHENIDATEHYDROCHLORIDE	Central Nervous System Agents
4	HYDROCODONEBITARTRATEANDACETAMINOPHEN	Analgesics
5	CLOBETASOLPROPIONATE	Dermatological Agents
6	BUPROPIONHYDROCHLORIDE	Antidepressants
7	ARIPIRAZOLE	Antipsychotics
8	METFORMINHYDROCHLORIDE	Blood Glucose Regulators
9	IBUPROFEN	Anti-inflammatory Agents
10	BUDESONIDE	Respiratory Tract Agents
11	DULOXETINEHYDROCHLORIDE	Antidepressants
12	ENTECAVIR	Antivirals
13	LIDOCAINE	Anesthetics
14	LISINAPRIL	Cardiovascular Agents
15	ROSUVASTATIN	Cardiovascular Agents
16	GABAPENTIN	Anticonvulsants
17	LEVORA	Hormonal Agents – Sex Hormones/Modifiers
18	OMEPRAZOLE	Gastrointestinal Agents
19	EPINEPHRINE	Cardiovascular Agents
20	COLCHICINE	Antigout Agents
21	ESTRACE	Hormonal Agents – Sex Hormones/Modifiers
22	ESTRADIOL	Hormonal Agents – Sex Hormones/Modifiers
23	MICROGESTINFE	Hormonal Agents – Sex Hormones/Modifiers
24	LOSARTANPOTASSIUM	Cardiovascular Agents
25	TACROLIMUS	Immunological Agents

Appendix C:

Lists of Prescription Drugs

25 Most Costly Brand Name Drugs by Total Annual Spending

Rank	Prescription Drug Name	Therapy Class
1	LANTUSSOLOSTAR	Blood Glucose Regulators
2	ADVAIR	Respiratory Tract Agents
3	HUMALOG	Blood Glucose Regulators
4	JANUVIA	Blood Glucose Regulators
5	HUMULIN	Blood Glucose Regulators
6	VYVANSE	Central Nervous System Agents
7	NUVARING	Hormonal Agents – Sex Hormones/Modifiers
8	QVAR	Respiratory Tract Agents
9	ADDERALL	Central Nervous System Agents
10	VENTOLINHFA	Respiratory Tract Agents
11	LIALDA	Inflammatory Bowel Disease Agents
12	INVOKANA	Blood Glucose Regulators
13	LYRICA	Anticonvulsants
14	DULERA	Respiratory Tract Agents
15	RESTASIS	Immunological Agents
16	XARELTO	Blood Products
17	JANUMET	Blood Glucose Regulators
18	ELIQUIS	Blood Products
19	SYMBICORT	Respiratory Tract Agents
20	CONCERTA	Central Nervous System Agents
21	FLOVENT	Respiratory Tract Agents
22	JARDIANCE	Blood Glucose Regulators
23	ONETOUCH	Blood Glucose Regulators
24	ACCU-CHEKAVIVAPLUS	Blood Glucose Regulators
25	LOLOESTRINFE	Hormonal Agents – Sex Hormones/Modifiers

Appendix C:

Lists of Prescription Drugs

25 Most Costly Specialty Drugs by Total Annual Spending

Rank	Prescription Drug Name	Therapy Class
1	HUMIRA	Immunological Agents
2	ENBREL	Immunological Agents
3	TRUVADA	Antivirals
4	HARVONI	Antivirals
5	GENVOYA	Antivirals
6	REVLIMID	Antineoplastics
7	EPCLUSA	Antivirals
8	ATRIPLA	Antivirals
9	TRIUMEQ	Antivirals
10	TECFIDERA	Immunological Agents
11	STELARA	Immunological Agents
12	IBRANCE	Antineoplastics
13	COPAXONE	Immunological Agents
14	ODEFSEY	Antivirals
15	VIREAD	Antivirals
16	OTEZLA	Immunological Agents
17	DESCOVY	Antivirals
18	SPRYCEL	Antineoplastics
19	HUMALOG	Blood Glucose Regulators
20	COSENTYX	Immunological Agents
21	ANDROGEL	Hormonal Agents – Sex Hormones/Modifiers
22	GILENYA	Immunological Agents
23	TIVICAY	Antivirals
24	ZARXIO	Blood Products
25	VICTOZA	Blood Glucose Regulators

Appendix C:

Lists of Prescription Drugs

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

Rank	Prescription Drug Name	Therapy Class
1	LIDOCAINE	Anesthetics
2	EZETIMIBEANDSIMVASTATIN	Cardiovascular Agents
3	DICLOFENACSODIUM	Anti-inflammatory Agents
4	ARIPIPIRAZOLE	Antipsychotics
5	YUVAFEM	Hormonal Agents – Sex Hormones/Modifiers
6	OSELTAMIVIRPHOSPHATE	Antivirals
7	IMATINIBMESYLATE	Antineoplastics
8	MESALAMINE	Inflammatory Bowel Disease Agents
9	ROSUVASTATIN	Cardiovascular Agents
10	ATORVASTATINCALCIUM	Cardiovascular Agents
11	EPINEPHRINE	Cardiovascular Agents
12	LEVORA	Hormonal Agents – Sex Hormones/Modifiers
13	OFLOXACIN	Antibacterials
14	DEXTROAMPHETAMINESACCHARATE	Central Nervous System Agents
15	ONDANSETRON	Antiemetic
16	MICROGESTINFE	Hormonal Agents – Sex Hormones/Modifiers
17	TRETINOIN	Dermatological Agents
18	LIDO-K	Anesthetics
19	BUPROPIONHYDROCHLORIDE	Antidepressants
20	HYDROCODONEBITARTRATE AND ACETAMINOPHEN	Analgesics
21	METHYLPHENIDATE HYDROCHLORIDE	Central Nervous System Agents
22	ESTRACE	Hormonal Agents – Sex Hormones/Modifiers
23	CLARAVIS	Dermatological Agents
24	OLMESARTANMEDOXOMIL	Cardiovascular Agents
25	AMLODIPINEBESYLATE	Cardiovascular Agents

Appendix C:

Lists of Prescription Drugs

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

Rank	Prescription Drug Name	Therapy Class
1	JARDIANCE	Blood Glucose Regulators
2	VENTOLIN	Respiratory Tract Agents
3	CONCERTA	Central Nervous System Agents
4	HUMULIN	Blood Glucose Regulators
5	HUMALOG	Blood Glucose Regulators
6	QVAR	Respiratory Tract Agents
7	LIALDA	Inflammatory Bowel Disease Agents
8	ADVAIR	Respiratory Tract Agents
9	VYVANSE	Central Nervous System Agents
10	ELIQUIS	Blood Products
11	CHANTIX	Antidotes, Deterrents, and Toxicologic Agents
12	JANUVIA	Blood Glucose Regulators
13	LYRICA	Anticonvulsants
14	PRADAXA	Blood Products
15	ACCU-CHEKAVIVAPLUS	Blood Glucose Regulators
16	DULERA	Respiratory Tract Agents
17	TRINTELLIX	Antidepressants
18	TRADJENTA	Blood Glucose Regulators
19	NUVARING	Hormonal Agents – Sex Hormones/Modifiers
20	BREOELLIPTA	Respiratory Tract Agents
21	ONETOUCH	Blood Glucose Regulators
22	XARELTO	Blood Products
23	XIIDRA	Ophthalmic Agents
24	GENVOYA	Antivirals
25	LOLOESTRINFE	Hormonal Agents – Sex Hormones/Modifiers

Appendix C:

Lists of Prescription Drugs

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

Rank	Prescription Drug Name	Therapy Class
1	GENVOYA	Antivirals
2	HUMIRA	Immunological Agents
3	ODEFSEY	Antivirals
4	DESCOVY	Antivirals
5	EPCLUSA	Antivirals
6	STELARA	Immunological Agents
7	TRIUMEQ	Antivirals
8	IBRANCE	Antineoplastics
9	REVLIMID	Antineoplastics
10	HUMALOG	Blood Glucose Regulators
11	ENBREL	Immunological Agents
12	TRUVADA	Antivirals
13	COSENTYX	Immunological Agents
14	OTEZLA	Immunological Agents
15	TRULICITY	Blood Glucose Regulators
16	XELJANZ	Immunological Agents
17	TIVICAY	Antivirals
18	IMBRUVICA	Antineoplastics
19	PREZCOBIX	Antivirals
20	ADVATE	Blood Products
21	IMATINIB	Antineoplastics
22	SPRYCEL	Antineoplastics
23	LATUDA	Antipsychotics
24	OPSUMIT	Cardiovascular Agents
25	POMALYST	Antineoplastics

Appendix D:

Senate Bill 17 Text

Health and Safety Code § 1367.243.

(a) (1) A health care service plan that reports rate information pursuant to Section 1385.03 or 1385.045 shall report the information described in paragraph (2) to the department no later than October 1 of each year, beginning October 1, 2018.

(2) For all covered prescription drugs, including generic drugs, brand name drugs, and specialty drugs dispensed at a plan pharmacy, network pharmacy, or mail order pharmacy for outpatient use, all of the following shall be reported:

(A) The 25 most frequently prescribed drugs.

(B) The 25 most costly drugs by total annual plan spending.

(C) The 25 drugs with the highest year-over-year increase in total annual plan spending.

(b) The department shall compile the information reported pursuant to subdivision (a) into a report for the public and legislators that demonstrates the overall impact of drug costs on health care premiums. The data in the report shall be aggregated and shall not reveal information specific to individual health care service plans.

(c) For the purposes of this section, a “specialty drug” is one that exceeds the threshold for a specialty drug under the Medicare Part D program (Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173)).

(d) By January 1 of each year, beginning January 1, 2019, the department shall publish on its Internet Web site the report required pursuant to subdivision (b).

(e) After the report required in subdivision (b) is released, the department shall include the report as part of the public meeting required pursuant to subdivision (b) of Section 1385.045.

(f) Except for the report required pursuant to subdivision (b), the department shall keep confidential all of the information provided to the department pursuant to this section, and the information shall be protected from public disclosure.

DEPARTMENT OF
Managed
Health Care



Published December 2018