

Impact of Prescription Drug Costs on Health Insurance Premiums

California Department of Insurance Report for Calendar Year 2021 Experience

**Insurance Code § 10123.205(b)
Senate Bill 17 (Chapter 603, Statutes of 2017)**



Ricardo Lara
Insurance Commissioner
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I – Executive Summary

This report summarizes the findings of the California Department of Insurance (CDI) regarding prescription drug costs for commercial health insurance policies for the 2021 calendar year. California Insurance Code (CIC) § 10123.205, as added by Senate Bill 17 (Hernandez, Ch. 603, Stats. 2017), requires health insurers that file rate information to annually report specified data to CDI on costs associated with covered prescription drugs.¹ CDI must annually publish a report demonstrating the overall impact of drug costs on health insurance premiums² based on this data. This is the fifth year that CDI has received, analyzed and reported its findings on the relationship between drug spending and health insurance premiums.

Comparing the 2021 data to previous years reveals the following:

- 1) Generic drugs comprised 80% of all prescriptions, but only 15% of drug spending. Conversely, specialty drugs accounted for only 3% of all prescriptions, yet consume 65% of drug spending (Table 1).
- 2) Drug utilization, measured by the number of prescriptions adjusted by changes in membership, increased by 9.7% in 2021 over 2020 (Table 2). Total drug spending per member per month (PMPM), including costs paid by insurers and cost sharing paid by insured persons, increased over the past two years (Table 4, item 1).
- 3) Prescription drugs accounted for 14.1% of total health care premiums in 2021, once rebates are considered, up from 13.4% in 2020 (Table 5).³
- 4) Prescription drugs accounted for 16.3% of all medical costs in 2021, once rebates are considered, less than the 16.6% figure for 2020 (Table 5).⁴
- 5) Drug costs per prescription decreased by 1.5% overall (Table 8). But decreased costs per prescription were not found across all drug categories: generic drugs decreased by 3.7% in cost per prescription, while specialty drugs increased in cost per prescription by 6.1%. One significant event during 2021 was the arrival and utilization of COVID-19 vaccines. Three vaccines, Pfizer, Moderna, and Janssen, were consistently included in the tables for the top 25 most prescribed brand name drugs by the reporting insurers. However, at under \$40 per injection

¹ CIC § 10123.205(a)(1) A health insurer that reports rate information pursuant to Section 10181.3 or 10181.45 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 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.

² CIC § 10123.205(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 insurers.

³ Several health insurers updated their costs for 2020, resulting in slight change in the 2020 figure.

⁴ Several health insurers updated their costs for 2020, resulting in slight change in the 2020 figure.

for vaccine administration, the cost of administering the vaccines were much lower than the typical cost for a brand drug. Therefore, inclusion of the COVID-19 vaccine administration data increased the overall utilization of “brand drugs,” but lowered the cost per script.

- 6) A portion of the increased drug costs per prescription for brand and specialty drugs was offset by the increased use of rebates in 2021.
- 7) Among the 25 most costly prescription drugs, while specialty drugs accounted for only 1.4% of all prescriptions, they accounted for 35.9% of total spending on prescription drugs (Table 14).

II – Analysis

Filings: Covered prescription drugs include all covered drugs dispensed by a network retail or mail order pharmacy for outpatient use in the following drug categories: generic, brand name, and specialty. CDI-regulated insurers reported the 25 most frequently prescribed drugs, the 25 most costly drugs by total annual plan spending, and the 25 drugs with the highest year-over-year increase in total annual plan spending. This report aggregates the data provided across all insurers and does not reveal any insurer-specific information.⁵

Definitions: Definitions and sources of the terms used in this report can be found in the glossary, but the following terms are used frequently throughout the report.

Total Prescription Drug Spending (Annual Plan Spending): Total payments made under the policy for prescription drugs on behalf of covered members, including payments made by insurers and member cost sharing. This is also known as the Allowed Dollar Amount.

Insurer Spending (Paid Plan Cost): Total payments made by insurers under the policy for prescription drugs and to health care providers on behalf of covered members. When this term only describes prescription drug costs, manufacturer rebates are excluded.

Member Cost Sharing: Total payments made by members under the policy for prescription drugs and to health care providers, including copays, deductibles, and coinsurance. Member Cost Sharing equals the Allowed Dollar Amount *minus* Insurer Spending.

Member Months: The total number of lives, including dependents, insured on a pre-specified day of each month of the reporting period.

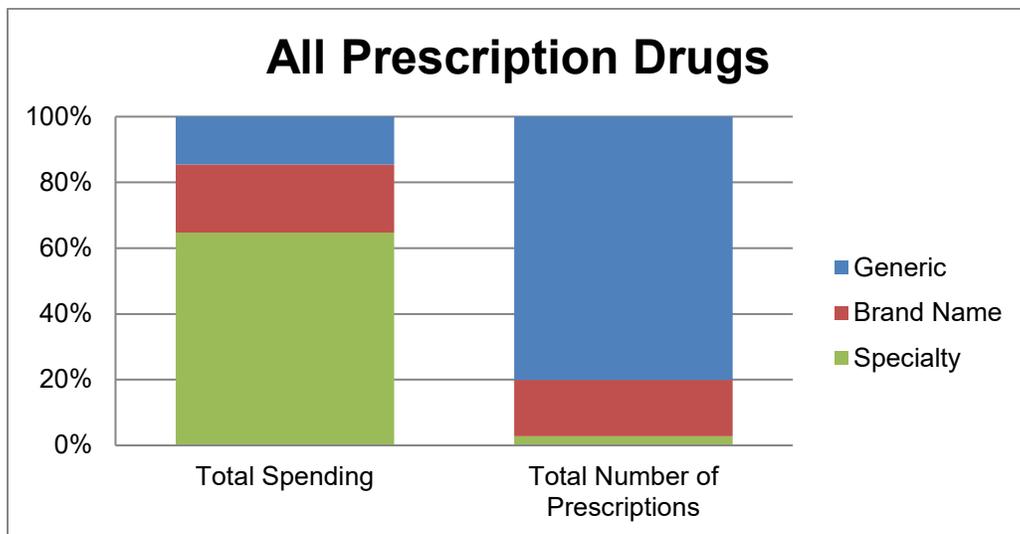
⁵ CIC § 10123.205(b) The data in the report shall be aggregated and shall not reveal information specific to individual health insurers.

Cost and Utilization for All Prescription Drugs: For the 2021 calendar experience year, Table 1 summarizes the following: the total combined annual prescription drug spending (insurer spending plus member cost sharing), the total insurer prescription drug spending (excluding member cost share), and the total number of prescriptions for all generic, brand name and specialty drugs for all market segments (individual, small group, and large group).

All Prescription Drugs	Generic	Brand Name	Specialty	Total
Total Prescription Drug Spending (including member cost share) (\$ million)	\$214.0	\$305.8	\$954.9	\$1,474.6
Insurer Prescription Drug Spending (excluding member cost share) (\$ million)	\$138.7	\$268.5	\$924.0	\$1,331.2
Total Number of Prescriptions (thousand)	8,677	1,857	308	10,842

Table 1

Using the information from Table 1, the chart below illustrates how prescription drug spending and utilization differ by drug type: generic drugs comprise 80% of prescriptions and 15% of spending, while specialty drugs comprise 3% of prescriptions and 65% of spending.



Year-Over-Year Changes in Prescription Usage per Member for All Prescription Drugs: The number of prescriptions per member per year (PMPY) between 2020 and 2021 for all generic, brand name, and specialty drugs are compared and summarized in Table 2. Brand name drugs showed a 62.2% increase in the number of prescriptions mainly due to the utilization of COVID-19 vaccines in 2021.

All Prescription Drugs	2020 (PMPY)	2021 (PMPY)	2021/2020
Generic			
# Scripts	7.95	8.17	2.8%
\$ Total Cost	\$203.58	\$201.55	-1.0%
Brand Name			
# Scripts	1.08	1.75	62.2%
\$ Total Cost	\$262.78	\$287.95	9.6%
Specialty			
# Scripts	0.28	0.29	3.5%
\$ Total Cost	\$818.70	\$899.23	9.8%
Total			
# Scripts	9.31	10.21	9.7%
\$ Total Cost	\$1,285.06	\$1,388.73	8.1%

Table 2

Costs in Relation to Premiums for All Prescription Drugs: For comprehensive medical plans that include pharmacy benefits in 2021, the total and per member per month (PMPM) paid prescription plan cost, paid medical plan cost (insurer cost for medical care, not including prescription drug costs), and health care premium are included in Table 3:

Costs In Relation to Premium	Total Dollars (\$ million)	PMPM
Insurer Prescription Drug Spending (excluding member cost share)(Paid Plan Cost)	\$1,331.2	\$104.47
Manufacturer Rebates Paid to Insurers	-\$314.4	-\$24.67
Insurer Prescription Drug Spending including Rebates	\$1,016.8	\$79.80
Medical Claim Spending (excluding member cost share)(Paid Medical Plan Cost)	\$5,232.9	\$410.67
Total Health Insurance Premium	\$7,198.6	\$564.94
Total Member Months	12,742,000	

Table 3

Table 3 includes aggregated information that is based on submissions to CDI from all health insurance companies and includes data from all fully-insured policies in the individual, small group, and large group market segments.

Year-Over-Year Changes in Costs for All Prescription Drugs: Table 4 compares the PMPM costs between 2020 and 2021 for comprehensive medical plans that include pharmacy benefits⁶:

Costs in Relation to Premium	2020 (PMPM)	2021 (PMPM)	2021/2020
1) Total Prescription Drug Spending (including member cost share)	\$107.09	\$115.73	8.1%
2) Insurer Prescription Drug Spending (excluding member cost-share)(Paid Plan Cost)	\$94.38	\$104.47	10.7%
3) Manufacturer Rebates Paid to Insurers	-\$20.62	-\$24.67	19.6%
4) Insurer Prescription Drug Spending including Rebates	\$73.76	\$79.80	8.2%
5) Medical Claim Spending (excluding member cost share)(Paid Medical Plan Cost)	\$370.83	\$410.67	10.7%
6) Total Health Insurance Premium	\$551.60	\$564.94	2.4%
7) Total Member Months	12,434,000	12,742,000	2.5%

Table 4

The data in the corresponding rows in Table 4 indicate the following year over year changes:

- Row 1) shows an increase of 8.1% in overall drug spending PMPM, for combined costs paid by insurers and members. The increase in the portion paid by the insurer, however, is slightly higher: 10.7% before rebates are accounted for and 8.2% when rebates are included.
- Row 5) the increase in drug spending for this population in 2021 was comparable to the overall increase in medical spending.

⁶ Several health insurers updated their costs for 2020, changing 2020 (PMPM) amounts in last year's report to the amounts in this report.

Prescription Drug Costs as a Percentage of Health Insurance Premiums: Table 5 measures prescription drug costs as a percent of premiums and claims costs.

All Prescription Drugs	2017	2018	2019	2020	2021
Prescription Cost (Net of Rebates)					
-as a % of Paid Medical + Prescription Cost	15.6%	15.3%	16.3%	16.6%	16.3%
-as a % of Total Health Care Premium	13.2%	12.9%	14.0%	13.4%	14.1%

Table 5

As shown in Table 5, prescription drug costs, net of manufacturer rebates, are stable when measured as a percent of medical and drug costs and when measured as a percent of health care premiums. However, Table 5 measures the net cost borne by health insurers and is not a measure of member cost sharing.

Prescription Drug Costs PMPM for All Prescription Drugs: Table 6 summarizes the total annual prescription drug spending, insurer prescription drug spending, and member cost sharing for all prescription drugs on a PMPM basis:

All Prescription Drugs	Generic (PMPM)	Brand Name (PMPM)	Specialty (PMPM)	Total (PMPM)
Total Prescription Drug Spending (including member cost share)	\$16.80	\$24.00	\$74.94	\$115.73
Insurer Prescription Drug Spending (excluding cost share)	\$10.88	\$21.07	\$72.51	\$104.47
Total Member Cost Share	\$5.91	\$2.92	\$2.42	\$11.26

Table 6

In Table 6, member cost sharing for prescription drugs is 10% overall, measured as a percent of total annual plan spending before rebates to insurers. But member cost sharing increases to 12% if measured as a percent of total annual plan spending net of rebates. Separate rebate information for generic, brand name, and specialty drugs is not available. For generic, brand name, and specialty drugs, member cost share is slightly lower in percentage compared with data in 2020, and lower in dollar amount.

Prescription Drug Costs Per Script for All Prescription Drugs: Total annual prescription drug spending, insurer prescription drug spending, and member cost sharing for all prescription drugs on a per script basis are summarized in Table 7.⁷

All Prescription Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
Total Prescription Drug Spending (including member cost share)	\$24.66	\$164.67	\$3,103.70	\$136.02
Insurer Prescription Drug Spending (excluding member cost share)	\$15.98	\$144.60	\$3,003.39	\$122.78
Total Member Cost Share	\$8.68	\$20.07	\$100.31	\$13.23

Table 7

⁷ CIC § 10123.1932 limits member cost sharing for prescription drugs. CIC § 10123.1932

(a)(1) With respect to an individual or group policy of health insurance subject to Section 10112.28, the copayment, coinsurance, or any other form of cost sharing for a covered outpatient prescription drug for an individual prescription for a supply of up to 30 days shall not exceed two hundred fifty dollars (\$250), except as provided in paragraphs (2) and (3).

(2) With respect to products with actuarial value at or equivalent to the bronze level, cost sharing for a covered outpatient prescription drug for an individual prescription for a supply of up to 30 days shall not exceed five hundred dollars (\$500), except as provided in paragraph (3).

(3) For a policy of health insurance that is a “high deductible health plan” under the definition set forth in Section 223(c)(2) of Title 26 of the United States Code, paragraphs (1) and (2) of this subdivision applies only once an insured’s deductible has been satisfied for the year.

(4) For a nongrandfathered individual or small group policy of health insurance, the annual deductible for outpatient drugs, if any, shall not exceed twice the amount specified in paragraph (1) or (2), respectively.

(5) For purposes of paragraphs (1) and (2), “any other form of cost sharing” shall not include a deductible.

Year-Over-Year Changes in Total Cost per Script for All Prescription Drugs:

Comparisons of total cost per script between 2020 and 2021 for all generic, brand name, and specialty drugs are summarized in Table 8:

All Prescription Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
2020 Total Prescription Drug Spending (including member cost share)	\$25.60	\$243.74	\$2,924.15	\$138.03
2021 Total Prescription Drug Spending (including member cost share)	\$24.66	\$164.67	\$3,103.70	\$136.02
% Change	-3.7%	-32.4%	6.1%	-1.5%

Table 8

Data in Table 8 indicates an average decrease of 1.5% in cost per script; this varies, however, for different categories of drugs. The change for generics is a decrease of 3.7% while the change for specialty drugs is an increase of 6.1%. The change for brand name drugs is a decrease of 32.4% due to the lower cost of administering of COVID-19 vaccines. The numbers in Table 8 do not account for rebates, as separate rebate information for generic, brand name, and specialty drugs is not available. Given the overall increase in rebate amounts in 2021 compared with 2020, we expect the net changes after accounting for rebates to be less than the -32.4% and 6.1% indicated above for brand and specialty drugs, respectively.

The 25 Most Frequently Prescribed Drugs: For all market segments combined for the 2021 experience year, information for the 25 most frequently prescribed drugs is summarized in Tables 9, 10, 11 and 12:

25 Most Frequently Prescribed Drugs	Generic	Brand Name	Specialty	Total
Total Prescription Drug Spending (including member cost share) (\$ million)	\$45.4	\$167.4	\$430.7	\$643.5
Insurer Prescription Drug Spending (excluding member cost share) (\$ million)	\$20.5	\$151.5	\$409.9	\$581.9
Total Number of Prescriptions (thousand)	3,438	1,352	189	4,979

Table 9

25 Most Frequently Prescribed Drugs	Generic	Brand Name	Specialty	Overall	All Other Prescribed Drugs	Total
Total Percentage of Prescriptions	31.7%	12.5%	1.7%	45.9%	54.1%	100.0%
Total Spending on Prescription Drugs	3.1%	11.4%	29.2%	43.6%	56.4%	100.0%
Impact on Total Health Insurance Premiums	0.3%	2.1%	5.7%	8.1%	10.4%	18.5%

Table 10

Tables 9 and 10 provide prescription drug cost by type and utilization, before any rebates are subtracted from the cost. Separate rebate information for generic, brand name, and specialty drugs is not available. After taking rebates into account, the cost of prescription drugs represents 14.1% of premium on average for 2021.

25 Most Frequently Prescribed Drugs	Generic (PMPM)	Brand Name (PMPM)	Specialty (PMPM)	Total (PMPM)
Total Prescription Drug Spending (including member cost share)	\$3.57	\$13.14	\$33.80	\$50.51
Insurer Prescription Drug Spending (excluding member cost share)	\$1.61	\$11.89	\$32.17	\$45.67
Total Member Cost Share	\$1.96	\$1.25	\$1.63	\$4.84

Table 11

25 Most Frequently Prescribed Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
Total Prescription Drug Spending (including member cost share)	\$13.22	\$123.86	\$2,273.21	\$129.25
Insurer Prescription Drug Spending (excluding member cost share)	\$5.97	\$112.10	\$2,163.40	\$116.88
Total Member Cost Share	\$7.25	\$11.77	\$109.80	\$12.38

Table 12

Tables 11 and 12 show that member cost sharing constitutes approximately 10% of drug cost. The percentage is expected to be higher if rebate amounts are taken into consideration.

The 25 Most Costly Drugs by Total Prescription Drug Spending: For all market segments combined for the 2021 experience year, information for the 25 most costly drugs by total spending is summarized in Tables 13, 14, 15 and 16:

25 Most Costly Drugs	Generic	Brand Name	Specialty	Total
Total Prescription Drug Spending (including member cost share) (\$ million)	\$68.2	\$191.1	\$528.9	\$788.2
Insurer Prescription Drug Spending (excluding member cost share) (\$ million)	\$45.1	\$172.5	\$506.0	\$723.6
Total Number of Prescriptions (thousand)	2,230	1,202	149	3,581

Table 13

25 Most Costly Drugs	Generic	Brand Name	Specialty	Overall	All Other Prescribed Drugs	Total
Total Percentage of Prescriptions	20.6%	11.1%	1.4%	33.0%	67.0%	100.0%
Total Spending on Prescription Drugs	4.6%	13.0%	35.9%	53.5%	46.5%	100.0%
Impact on Total Health Insurance Premiums	0.6%	2.4%	7.0%	10.1%	8.4%	18.5%

Table 14

In Tables 13 and 14, the prescription drug cost is before any rebates are subtracted from the cost. Separate rebate information for generic, brand name, and specialty drugs is not available.

Note that the specialty drugs in this group account for only 1.4% of overall scripts but 35.9% of total spending on prescription drugs.

25 Most Costly Drugs	Generic (PMPM)	Brand Name (PMPM)	Specialty (PMPM)	Total (PMPM)
Total Prescription Drug Spending (including member cost share)	\$5.35	\$15.00	\$41.51	\$61.86
Insurer Prescription Drug Spending (excluding member cost share)	\$3.54	\$13.54	\$39.71	\$56.79
Total Member Cost Share	\$1.81	\$1.46	\$1.79	\$5.07

Table 15

25 Most Costly Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
Total Prescription Drug Spending (including member cost share)	\$30.58	\$158.95	\$3,556.91	\$220.08
Insurer Prescription Drug Spending (excluding member cost share)	\$20.22	\$143.45	\$3,403.34	\$202.05
Total Member Cost Share	\$10.37	\$15.50	\$153.57	\$18.03

Table 16

In Tables 15 and 16, member cost sharing constitutes approximately 8% of drug costs. For costly drugs, members pay a smaller share, likely due to designs that utilize copays, as opposed to coinsurance, and limits on out-of-pocket costs.

The 25 Drugs with the Highest 2021-over-2020 Increase in Total Prescription Drug Spending: For all market segments combined, information for the 25 drugs with the highest 2021-over-2020 increases is summarized in Table 17:

25 Drugs with Highest Increase	Generic	Brand Name	Specialty	Total
2020 Total Prescription Drug Spending (including member cost share) (\$ million)	\$31.1	\$94.8	\$275.4	\$401.4
2021 Total Prescription Drug Spending (including member cost share) (\$ million)	\$43.7	\$158.7	\$415.4	\$617.7

Table 17

The names of the drugs with the highest increases are listed in Tables 24-26 on pages 24 to 26.

III – Overview of the Filings

Information received from the companies

The findings presented here are based on CDI's review of data received from insurance companies. CDI has accepted the submitted data to be accurate without conducting an independent audit or verification of the accuracy of the submitted data. CDI cannot guarantee the accuracy and integrity of the submitted data. As much as possible, the data has been verified to be internally consistent, and when there have been inconsistencies, the CDI has requested and received appropriate corrections and explanations from the companies.

Background to the current filings

This is the fifth year that insurance companies reported prescription drug data to the CDI pursuant to CIC § 10123.205. The CDI received filings from all insurers required to report prescription drug data.

IV – Summary of the Filings

Pursuant to CIC § 10123.205, CDI received filings from nine health insurers. The filings include, for all market segments combined, the 25 most frequently prescribed drugs, the 25 most costly drugs by total annual plan spending, and the 25 drugs with the highest year-over-year increase in total annual plan spending in each of the three drug categories: generic, brand name, and specialty. The tables below present this data aggregated across all insurers and do not reveal health insurer-specific information.

The following insurance companies submitted filings:

Company
Aetna Life Insurance Company
Anthem Blue Cross Life & Health Insurance Company
Blue Shield of California Life & Health Insurance Company
Cigna Health & Life Insurance Company
Health Net Life Insurance Company
Kaiser Permanente Insurance Company
National Health Insurance Company
Nippon Life Insurance Company of America
UnitedHealthcare Insurance Company

The 25 Most Frequently Prescribed Drugs: For all market segments combined, Tables 18-20 aggregate the 25 most frequently prescribed drugs (across all insurers) in the following categories: generic, brand name, and specialty.

The 25 Most Frequently Prescribed Generic Drugs:

Rank	Prescription Drug Name	Therapy Class
1	ATORVASTATIN	Cardiovascular Agents
2	LEVOTHYROXINE	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
3	LISINOPRIL	Cardiovascular Agents
4	AMLODIPINE	Cardiovascular Agents
5	METFORMIN	Cardiovascular Agents
6	LOSARTAN	Cardiovascular Agents
7	ESCITALOPRAM	Antidepressants; Anxiolytics
8	SERTRALINE	Antidepressants; Anxiolytics
9	BUPROPION	Cardiovascular Agents
10	ROSUVASTATIN	Cardiovascular Agents
11	METOPROLOL	Gastrointestinal Agents
12	HYDROCHLOROTHIAZIDE	Cardiovascular Agents
13	GABAPENTIN	Anticonvulsants; Central Nervous System Agents
14	DEXTROAMPHETAMINE	Central Nervous System Agents
15	ALBUTEROL	Respiratory Tract/Pulmonary Agents
16	AMOXICILLIN	Antibacterials
17	MONTELUKAST	Respiratory Tract/Pulmonary Agents
18	OMEPRAZOLE	Gastrointestinal Agents
19	TRAZODONE	Antidepressants
20	HYDROCODONE	Respiratory Tract/Pulmonary Agents
21	FLUOXETINE	Antidepressants
22	IBUPROFEN	Analgesics; Anti-inflammatory Agents
23	ALPRAZOLAM	Anxiolytics
24	SPIRONOLACTONE	Cardiovascular Agents
25	PANTOPRAZOLE	Gastrointestinal Agents

Table 18

The 25 Most Frequently Prescribed Brand Name Drugs:

Rank	Prescription Drug Name	Therapy Class
1	PFIZER-BIONTECH COVID-19 VACCINE	Vaccines
2	MODERNA COVID-19 VACCINE	Vaccines
3	VYVANSE	Central Nervous System Agents
4	LO LOESTRIN FE	Contraceptives
5	SYNTHROID	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
6	ADDERALL	Central Nervous System Agents
7	FLUZONE	Vaccines
8	JARDIANCE	Blood Glucose Regulators
9	ARMOUR THYROID	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
10	ELIQUIS	Blood Products and Modifiers
11	JANSEN COVID-19 VACCINE	Vaccines
12	FLUARIX	Vaccines
13	FLUCELVAX	Vaccines
14	SHINGRIX	Vaccines
15	HUMALOG	Blood Glucose Regulators
16	ADVAIR	Respiratory Tract/Pulmonary Agents
17	LANTUS	Blood Glucose Regulators
18	ONETOUCH	Blood Glucose Regulators
19	FLOVENT	Respiratory Tract/Pulmonary Agents
20	AFLURIA	Vaccines
21	CONCERTA	Central Nervous System Agents
22	NUVARING	Contraceptives
23	FLULAVAL	Vaccines
24	JANUVIA	Blood Glucose Regulators
25	VIVELLE-DOT	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)

Table 19

The 25 Most Frequently Prescribed Specialty Drugs:

Rank	Prescription Drug Name	Therapy Class
1	TRULICITY	Blood Glucose Regulators
2	OZEMPIC	Blood Glucose Regulators
3	HUMIRA	Immunological Agents
4	DESCOVY	Antivirals
5	BIKTARVY	Antivirals
6	DUPIXENT	Immunological Agents
7	HUMALOG	Blood Glucose Regulators
8	EMTRICITABINE	Antivirals
9	LATUDA	Antipsychotics
10	JARDIANCE	Blood Glucose Regulators
11	VICTOZA	Blood Glucose Regulators
12	RYBELSUS	Blood Glucose Regulators
13	STELARA	Immunological Agents
14	EPINEPHRINE	Respiratory Tract/Pulmonary Agents
15	OTEZLA	Dermatological Agents; Immunological Agents
16	ENBREL	Immunological Agents
17	UBRELVY	Antimigraine Agents
18	LIALDA	Inflammatory Bowel Disease Agents
19	COSENTYX	Immunological Agents
20	VRAYLAR	Antipsychotics
21	JANUVIA	Blood Glucose Regulators
22	VIMPAT	Anticonvulsants
23	XARELTO	Blood Products and Modifiers
24	NURTEC	Antimigraine Agents
25	FARXIGA	Blood Glucose Regulators

Table 20

The 25 Most Costly Drugs by Total Prescription Drug Spending: For all market segments combined, Tables 21-23 aggregate the 25 most costly drugs across all insurers in the following categories: generic, brand name, and specialty drugs.

The 25 Most Costly Generic Drugs by Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	DEXTROAMPHETAMINE	Central Nervous System Agents
2	ATORVASTATIN	Cardiovascular Agents
3	ESTRADIOL	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
4	EMTRICITABINE	Antivirals
5	ROSUVASTATIN	Cardiovascular Agents
6	BUPROPION	Cardiovascular Agents
7	MESALAMINE	Inflammatory Bowel Disease Agents
8	ALBUTEROL	Respiratory Tract/Pulmonary Agents
9	LEVOTHYROXINE	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
10	EPINEPHRINE	Respiratory Tract/Pulmonary Agents
11	BUDESONIDE	Respiratory Tract/Pulmonary Agents
12	METHYLPHENIDATE	Central Nervous System Agents
13	ESCITALOPRAM	Antidepressants; Anxiolytics
14	PROGESTERONE	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
15	VALACYCLOVIR	Antivirals
16	TRETINOIN	Dermatological Agents
17	METOPROLOL	Gastrointestinal Agents
18	LOSARTAN	Cardiovascular Agents
19	GABAPENTIN	Anticonvulsants; Central Nervous System Agents
20	BUPRENORPHINE	Anti-Addiction/Substance Abuse Treatment Agents
21	METFORMIN	Cardiovascular Agents
22	CLINDAMYCIN	Dermatological Agents
23	SERTRALINE	Antidepressants; Anxiolytics
24	CLOBETASOL	Dermatological Agents
25	LISINAPRIL	Cardiovascular Agents

Table 21

The 25 Most Costly Brand Name Drugs by Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	VYVANSE	Central Nervous System Agents
2	PFIZER-BIONTECH COVID-19 VACCINE	Vaccines
3	JARDIANCE	Blood Glucose Regulators
4	ELIQUIS	Blood Products and Modifiers
5	HUMALOG	Blood Glucose Regulators
6	MODERNA COVID-19 VACCINE	Vaccines
7	ADDERALL	Central Nervous System Agents
8	LO LOESTRIN FE	Contraceptives
9	ADVAIR	Respiratory Tract/Pulmonary Agents
10	XARELTO	Blood Products and Modifiers
11	LANTUS	Blood Glucose Regulators
12	CONCERTA	Central Nervous System Agents
13	TRINTELLIX	Antidepressants
14	SYMBICORT	Respiratory Tract/Pulmonary Agents
15	JANUVIA	Blood Glucose Regulators
16	NOVOLOG	Blood Glucose Regulators
17	FARXIGA	Blood Glucose Regulators
18	LINZESS	Gastrointestinal Agents
19	BREO ELLIPTA	Respiratory Tract/Pulmonary Agents
20	FLOVENT	Respiratory Tract/Pulmonary Agents
21	TRESIBA	Blood Glucose Regulators
22	AIMOVIG	Antimigraine Agents
23	EMGALITY	Antimigraine Agents
24	BASAGLAR	Blood Glucose Regulators
25	DEXILANT	Gastrointestinal Agents

Table 22

The 25 Most Costly Specialty Drugs by Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	HUMIRA	Immunological Agents
2	STELARA	Immunological Agents
3	BIKTARVY	Antivirals
4	DUPIXENT	Immunological Agents
5	DESCOVY	Antivirals
6	ENBREL	Immunological Agents
7	TRULICITY	Blood Glucose Regulators
8	COSENTYX	Immunological Agents
9	OZEMPIC	Blood Glucose Regulators
10	REVLIMID	Antineoplastics
11	TRIKAFTA	Respiratory Tract/Pulmonary Agents
12	OTEZLA	Dermatological Agents; Immunological Agents
13	TREMFYA	Immunological Agents
14	SKYRIZI	Immunological Agents
15	EMTRICITABINE	Antivirals
16	TALTZ	Immunological Agents
17	XELJANZ	Immunological Agents
18	LATUDA	Antipsychotics
19	NORDITROPIN	Hormonal Agents, Stimulant/Replacement/ Modifying (Pituitary)
20	GENVOYA	Antivirals
21	SPRYCEL	Antineoplastics
22	TAGRISO	Antineoplastics
23	IBRANCE	Antineoplastics
24	GILENYA	Central Nervous System Agents
25	HEMLIBRA	Blood Products and Modifiers

Table 23

The 25 Drugs with the Highest 2021-over-2020 Increase in Total Prescription Drug Spending: For all market segments combined, Tables 24-26 each aggregate the 25 generic, brand name or specialty drugs with the highest year-over-year increase across all insurers.

The 25 Generic Drugs with the Highest 2021-over-2020 Increase in Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	EMTRICITABINE	Antivirals
2	EPINEPHRINE	Respiratory Tract/Pulmonary Agents
3	ESTRADIOL	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
4	BUPROPION	Cardiovascular Agents
5	DEXTROAMPHETAMINE	Central Nervous System Agents
6	CIPROFLOXACIN	Antibacterials; Ophthalmic Agents
7	LOSARTAN	Cardiovascular Agents
8	ICOSAPENT	Cardiovascular Agents
9	TRETINOIN	Dermatological Agents
10	IVERMECTIN	Antiparasitics
11	SERTRALINE	Antidepressants; Anxiolytics
12	ALBUTEROL	Respiratory Tract/Pulmonary Agents
13	GEMMILY	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
14	ATOMOXETINE	Central Nervous System Agents
15	FLUOXETINE	Antidepressants
16	ROSUVASTATIN	Cardiovascular Agents
17	NORETHINDRONE	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
18	BUDESONIDE	Respiratory Tract/Pulmonary Agents
19	LAMOTRIGINE	Anticonvulsants; Bipolar Agents
20	VALACYCLOVIR	Antivirals
21	LORYNA	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
22	BUPRENORPHINE	Anti-Addiction/Substance Abuse Treatment Agents
23	FAMOTIDINE	Gastrointestinal Agents
24	ESCITALOPRAM	Antidepressants; Anxiolytics
25	DESVENLAFAXINE	Antidepressants

Table 24

The 25 Brand Name Drugs with the Highest 2021-over-2020 Increase in Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	PFIZER-BIONTECH COVID-19 VACCINE	Vaccines
2	MODERNA COVID-19 VACCINE	Vaccines
3	JARDIANCE	Blood Glucose Regulators
4	VYVANSE	Central Nervous System Agents
5	ADDERALL	Central Nervous System Agents
6	ELIQUIS	Blood Products and Modifiers
7	LANTUS	Blood Glucose Regulators
8	ADVAIR	Respiratory Tract/Pulmonary Agents
9	OZEMPIC	Blood Glucose Regulators
10	FARXIGA	Blood Glucose Regulators
11	TRELEGY	Respiratory Tract/Pulmonary Agents
12	TRULICITY	Blood Glucose Regulators
13	CONCERTA	Central Nervous System Agents
14	EMGALITY	Antimigraine Agents
15	NOVOLOG	Blood Glucose Regulators
16	TOUJEO	Blood Glucose Regulators
17	ENTRESTO	Cardiovascular Agents
18	LINZESS	Gastrointestinal Agents
19	DEXCOM	Blood Glucose Regulators
20	LO LOESTRIN FE	Contraceptives
21	XIIDRA	Ophthalmic Agents
22	REPATHA	Cardiovascular Agents
23	SHINGRIX	Vaccines
24	FLOVENT	Respiratory Tract/Pulmonary Agents
25	AJOVY	Antimigraine Agents

Table 25

The 25 Specialty Drugs with the Highest 2021-over-2020 Increase in Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	HUMIRA	Immunological Agents
2	STELARA	Immunological Agents
3	DUPIXENT	Immunological Agents
4	EMTRICITABINE	Antivirals
5	SKYRIZI	Immunological Agents
6	DESCOVY	Antivirals
7	BIKTARVY	Antivirals
8	TREMFYA	Immunological Agents
9	OZEMPIC	Blood Glucose Regulators
10	NORDITROPIN	Hormonal Agents, Stimulant/Replacement/Modifying (Pituitary)
11	TRULICITY	Blood Glucose Regulators
12	COSENTYX	Immunological Agents
13	TALTZ	Immunological Agents
14	XYWAV	Sleep Disorder Agents
15	RYBELSUS	Blood Glucose Regulators
16	HEMLIBRA	Blood Products and Modifiers
17	RINVOQ	Immunological Agents
18	TAGRISSO	Antineoplastics
19	NURTEC	Antimigraine Agents
20	JYNARQUE	Electrolytes/Minerals/Metals/Vitamins
21	VUMERITY	Central Nervous System Agents
22	SPRYCEL	Antineoplastics
23	TAKHZYRO	Immunological Agents
24	UBRELVY	Antimigraine Agents
25	BENEFIX	Blood Products and Modifiers

Table 26

V – Glossary

Administrative Expenses/Costs: Business expenses associated with general administration, agents/brokers fees and commissions, direct sales salaries, workforce salaries and benefits, loss adjustment expenses, cost containment expenses, and community benefit expenditures.

Allowed Dollar Amount: Total payments made under the policy to health care providers on behalf of covered members, including payments made by issuers and member cost sharing.

Annual Plan Spending: Total payments made under the policy to health care providers on behalf of covered members, including payments made by issuers and member cost sharing = Allowed Dollar Amount.

Biological Product: Biological products are regulated by the Food and Drug Administration (FDA) and are used to diagnose, prevent, treat, and cure diseases and medical conditions. Biological products are a diverse category of products and are generally large, complex molecules. These products may be produced through biotechnology in a living system.

Biosimilar Product: A biosimilar product is a biological product that is highly similar to and has no clinically meaningful differences from an existing FDA-approved reference product. Treated in this report as Generic, unless the plan- or insurer-negotiated monthly cost exceeds the threshold for a Specialty Drug.

Brand Name Drug: Medications protected by patents that grant their makers exclusive marketing rights for several years. When patents expire, other manufacturers can sell generic copies at lower prices.

Dispensed at Pharmacy: Dispensed at a network pharmacy, or mail order pharmacy for outpatient use.

Formulary: List of drugs used to treat patients in a drug benefit plan. Products listed on a formulary are covered for reimbursement at varying levels.

Generic Drug: A generic drug is a medication created to be the same as an already marketed brand name drug in dosage, form, safety, strength, route of administration, quality, performance characteristics, and intended use. These similarities help to demonstrate bioequivalence, which means that a generic drug works in the same way and provides the same clinical benefit as its brand name version. In other words, a generic drug is an equal substitute for its brand name counterpart.

Interchangeable Product: An interchangeable product is a biosimilar product that meets additional requirements outlined by the Biologics Price Competition and Innovation Act.

Mail Order: Licensed pharmacy established to dispense maintenance medications for chronic use in quantities greater than normally purchased at a retail pharmacy. The mail order pharmacy usually uses highly automated equipment so that non-pharmacists perform many routine tasks. As a result, mail order can typically dispense medication at a lower cost per prescription.

Member Cost Sharing: Total payments made by members under the policy to health care providers, including copays, deductibles, and coinsurances = Allowed Dollar Amount – Paid Plan Cost.

Member Months: The total number of lives, including dependents, insured on a pre-specified day of each month of the reporting period.

National Drug Code (NDC): Numeric system to identify drug products in the United States. A drug's NDC number is often expressed using a 3-segment-number where the first segment identifies the manufacturer, the second identifies the product and strength, and the last identifies the package size and type.

Number of Prescriptions: A 30-day supply is treated as a unit. Between 1- to 30-day supply is 1 unit, between 31- to 60-day supply is 2 units, and more than a 60-day supply is treated as 3 units.

Paid Dollar Amount: Allowed Dollar Amount minus the member cost sharing amount = Incurred Costs. (If this term is related to drug cost only, excludes Manufacturer Rebate.)

Paid Plan Claim (Paid Plan Cost): Allowed Dollar Amount minus the member cost sharing amount = Incurred Costs. (If this term is related to drug cost only, excludes Manufacturer Rebate.)

Pharmacy Benefit Manager (PBM): Organization dedicated to administering prescription benefit management services to employers, health plans, third-party administrators, union groups, and other plan sponsors. A full-service PBM maintains eligibility, adjudicates prescription claims, provides clinical services and customer support, contracts and manages pharmacy networks, and provides management reports.

Pharmacy Benefits Carve-In: Management of the drug benefit is included with the management of the medical benefit, using a single entity and contract to administer both benefits.

Pharmacy Benefits Carve-Out: Management of the drug benefit is separate from the management of the medical benefit, using two different entities or two separate contracts to administer the benefits.

Prescription Drug: A self-administered drug approved by the FDA for sale to the public through retail or mail order pharmacies that requires a prescription and is not provided for use on an inpatient basis or administered in a clinical setting or by a licensed health care provider. The term includes: (i) disposable devices that are medically necessary for the administration of a covered prescription drug, such as spacers and inhalers for the administration of aerosol outpatient prescription drugs; (ii) syringes for self-injectable prescription drugs that are not dispensed in pre-filled syringes; (iii) drugs, devices, and FDA-approved products covered under the prescription drug benefit of the product pursuant to sections 1367.002 and 1367.25 of the Health and Safety Code, including any such over-the-counter drugs, devices, and FDA-approved products; and (iv) at the option of the health care service plan, any vaccines or other health benefits covered under the prescription drug benefit of the product.

Reference Product: A reference product is the single biological product, already approved by the FDA, against which a proposed biosimilar product is compared. A reference product is approved based on, among other things, a full complement of safety and effectiveness data. Treated in this report as Brand Name or Brand Name Specialty.

Retail: Medications are purchased at a retail pharmacy.

Specialty Drug: 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 2021, the threshold amount is \$670 for a one-month supply.