

# **Impact of Prescription Drug Costs on Health Insurance Premiums**

## **California Department of Insurance Report for Calendar Year 2022 Experience**

**Insurance Code section 10123.205(b)  
Senate Bill 17 (Ch. 603, Stats. 2017)**



**Ricardo Lara**  
*Insurance Commissioner*  
January 2024

## **Table of Contents**

**I – Executive Summary**

**II – Analysis**

**III – Overview of the Filings**

**IV – Summary of the Filings**

**V – Glossary**

## 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 2022 calendar year. California Insurance Code (CIC) section 10123.205<sup>1</sup> requires health insurers that file rate information to annually report specified data to CDI on costs associated with covered prescription drugs.<sup>2</sup> Based on this data, CDI must annually publish a report demonstrating the overall impact of drug costs on health insurance premiums.<sup>3</sup> This is the sixth year that CDI has received, analyzed, and reported its findings on the relationship between drug spending and health insurance premiums.

Comparing the 2022 data to previous years reveals the following:

- 1) Generic drugs comprised 82% of all prescriptions, but only 13% of drug spending. Conversely, specialty drugs accounted for only 3% of all prescriptions, yet encompass 65% of drug spending (Table 1).
- 2) Drug utilization, measured by the number of prescriptions adjusted by changes in membership, increased by 1.9% in 2022 over 2021 (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 14.6% of total health care premiums in 2022, once rebates are subtracted, up from 14.1% in 2021 (Table 5).<sup>4</sup>
- 4) Prescription drugs accounted for 17.0% of all medical costs in 2022, once rebates are considered, more than the 16.3% figure for 2021 (Table 5).<sup>5</sup>
- 5) Drug costs per prescription increased by 7.7% overall (Table 8). However, increased costs per prescription were not found across all drug categories: generic drugs decreased by -6.1% in cost per prescription, while brand name drugs increased in cost per prescription by 29.9%. The COVID-19 vaccines have impacted the overall utilization and cost of brand name drugs.

In 2021, three COVID-19 vaccines, Pfizer, Moderna, and Janssen, were consistently included in the tables for the top 25 most prescribed brand name drugs by the reporting insurers. In 2022, two vaccines, Pfizer and Moderna, were included in the tables for the top 25 most prescribed brand name drugs, but with less than half the utilization compared to 2021. However, at under \$40 per injection for vaccine administration, the cost of administering the vaccines was much lower than the typical cost for a brand name drug. Therefore, inclusion of the COVID-19 vaccine administration data decreased the overall utilization of brand name drugs in 2022 compared to 2021, while increasing the cost per prescription.

---

<sup>1</sup> Added by Senate Bill 17 (Hernandez, Ch. 603, Stats. 2017).

<sup>2</sup> CIC § 10123.205(a).

<sup>3</sup> CIC § 10123.205(b).

<sup>4</sup> Several health insurers updated their costs for 2021, resulting in slight change in the 2021 figure.

<sup>5</sup> Several health insurers updated their costs for 2021, resulting in slight change in the 2021 figure.

- 6) A portion of the increased drug costs per prescription for brand and specialty drugs was offset by increased rebates in 2022.
- 7) Among the 25 most costly prescription drugs, while specialty drugs accounted for only 1.4% of all prescriptions, these drugs accounted for 37.9% 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 drugs. 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.<sup>6</sup>

**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.

---

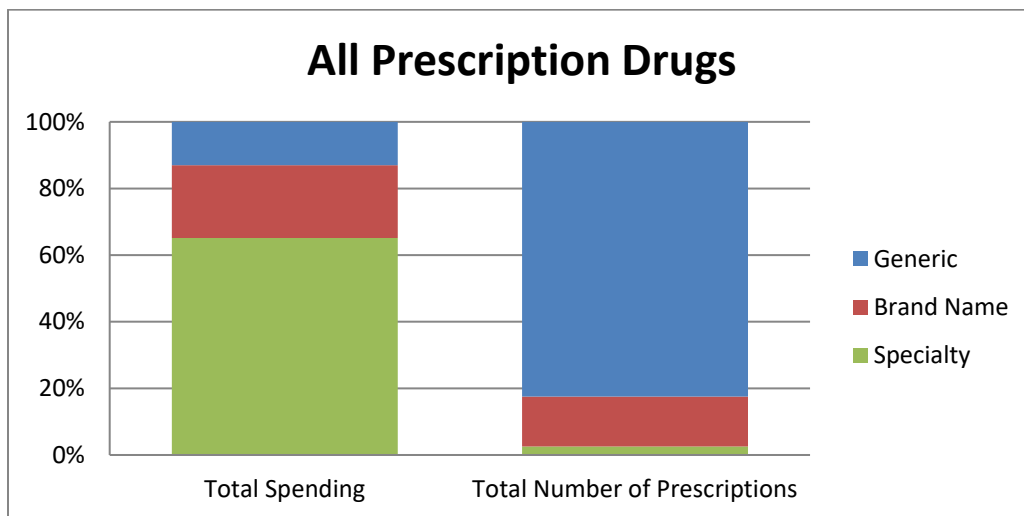
<sup>6</sup> CIC § 10123.205(b).

**Cost and Utilization for All Prescription Drugs:** For the 2022 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
<b>Total Prescription Drug Spending (including member cost share) (\$ million)</b>	\$220.6	\$369.9	\$1,102.3	\$1,692.8
<b>Insurer Prescription Drug Spending (excluding member cost share) (\$ million)</b>	\$142.8	\$330.0	\$1,069.3	\$1,542.1
<b>Total Number of Prescriptions (thousand)</b>	9,529	1,729	296	11,554

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 82% of prescriptions and 13% of spending, while specialty drugs comprise 3% of prescriptions and 65% of spending. Brand name drugs comprise 15% of prescriptions and 22% 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 2021 and 2022 for all generic, brand name, and specialty drugs are compared and summarized in Table 2. There was an -11.0% decrease in the number of brand name drug prescriptions, which was mainly due to higher utilization of COVID-19 vaccines in 2021.

All Prescription Drugs	2021 (PMPY)	2022 (PMPY)	2022/2021
<b>Generic</b>			
# Scripts	8.17	8.58	5.0%
\$ Total Cost	\$201.55	\$198.62	-1.5%
<b>Brand Name</b>			
# Scripts	1.75	1.56	-11.0%
\$ Total Cost	\$287.95	\$333.01	15.6%
<b>Specialty</b>			
# Scripts	0.29	0.27	-7.9%
\$ Total Cost	\$899.23	\$992.30	10.3%
<b>Total</b>			
# Scripts	10.21	10.40	1.9%
\$ Total Cost	\$1,388.73	\$1,523.92	9.7%

Table 2

**Costs in Relation to Premiums for All Prescription Drugs:** For comprehensive medical plans that include pharmacy benefits in 2022, 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 shown in Table 3:

Costs In Relation to Premium	Total Dollars (\$ million)	PMPM
Insurer Prescription Drug Spending (excluding member cost share) (Paid Plan Cost)	\$1,542.1	\$115.69
Manufacturer Rebates Paid to Insurers	-\$414.3	-\$31.08
Insurer Prescription Drug Spending including Rebates	\$1,127.8	\$84.61
Medical Claim Spending (excluding member cost share) (Paid Medical Plan Cost)	\$5,515.8	\$413.79
Total Health Insurance Premium	\$7,716.8	\$578.91
Total Member Months		13,330,000

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 2021 and 2022 for comprehensive medical plans that include pharmacy benefits:<sup>7</sup>

Costs in Relation to Premium	2021 (PMPM)	2022 (PMPM)	2022/2021
1) Total Prescription Drug Spending (including member cost share)	\$115.73	\$126.99	9.7%
2) Insurer Prescription Drug Spending (excluding member cost-share) (Paid Plan Cost)	\$104.47	\$115.69	10.7%
3) Manufacturer Rebates Paid to Insurers	-\$24.55	-\$31.08	26.6%
4) Insurer Prescription Drug Spending including Rebates	\$79.92	\$84.61	5.9%
5) Medical Claim Spending (excluding member cost share) (Paid Medical Plan Cost)	\$411.03	\$413.79	0.7%
6) Total Health Insurance Premium	\$565.29	\$578.91	2.4%
7) Total Member Months	12,684,000	13,330,000	5.1%

Table 4

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

- Row 1 shows an increase of 9.7% 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.
- Row 2 shows an increase of 10.7% in overall insurer drug spending PMPM before rebates are accounted for.
- Row 3 shows that manufacturer rebates paid to insurers increased by 26.6%.
- Row 4 shows an increase of 5.9% in overall insurer drug spending PMPM when rebates are subtracted.
- Row 5 shows the increase in drug spending for this population in 2022 (5.9%) was higher than the overall increase in medical spending (0.7%).

<sup>7</sup> Several health insurers updated their costs for 2021, altering 2021 (PMPM) amounts in this report as compared to the amounts shown in last year's 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	2022
<b>Prescription Cost (Net of Rebates)</b>						
<b>-as a % of Paid Medical + Prescription Cost</b>	15.6%	15.3%	16.3%	16.6%	16.3%	17.0%
<b>-as a % of Total Health Care Premium</b>	13.2%	12.9%	14.0%	13.4%	14.1%	14.6%

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 only 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)
<b>Total Prescription Drug Spending (including member cost share)</b>	\$16.55	\$27.75	\$82.69	\$126.99
<b>Insurer Prescription Drug Spending (excluding cost share)</b>	\$10.72	\$24.75	\$80.22	\$115.69
<b>Total Member Cost Share</b>	\$5.83	\$3.00	\$2.47	\$11.30

Table 6

In Table 6, member cost sharing for prescription drugs is 9% overall, measured as a percent of total annual plan spending before rebates to insurers are subtracted. However, member cost sharing increases to 12% if measured as a percent of total annual plan spending net of rebates.<sup>8</sup> Separate rebate information for generic, brand name, and specialty drugs is not available. For generic drugs, member cost share is slightly higher in percentage compared with 2021 data, and lower in dollar amount. For brand name and specialty drugs, member cost share is slightly lower in percentage compared with 2021 data, and higher in dollar amount.

<sup>8</sup> Total member cost share (\$11.30) divided by total prescription drug spending (\$126.99) minus manufacturer rebates paid to insurers from Row 3 of Table 4 (\$-31.08).

**Prescription Drug Costs Per Prescription for All Prescription Drugs:** Total annual prescription drug spending, insurer prescription drug spending, and member cost sharing for all prescription drugs on a per prescription basis is summarized in Table 7.<sup>9</sup>

All Prescription Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
<b>Total Prescription Drug Spending (including member cost share)</b>	\$23.15	\$213.95	\$3,718.18	\$146.51
<b>Insurer Prescription Drug Spending (excluding member cost share)</b>	\$14.99	\$190.85	\$3,607.04	\$133.47
<b>Total Member Cost Share</b>	\$8.16	\$23.10	\$111.14	\$13.04

Table 7

---

<sup>9</sup> CIC § 10123.1932 limits member cost sharing for prescription drugs in non-grandfathered policies.

**Year-Over-Year Changes in Total Cost per Prescription for All Prescription Drugs:** Comparisons of total cost per prescription between 2021 and 2022 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)
<b>2021 Total Prescription Drug Spending (including member cost share)</b>	\$24.66	\$164.67	\$3,103.70	\$136.02
<b>2022 Total Prescription Drug Spending (including member cost share)</b>	\$23.15	\$213.95	\$3,718.18	\$146.51
<b>% Change</b>	-6.1%	29.9%	19.8%	7.7%

Table 8

Data in Table 8 indicates an average increase of 7.7% in cost per prescription; this varies, however, for different categories of drugs. The change for generics is a decrease of 6.1%, while the change for specialty drugs is an increase of 19.8%. The change for brand name drugs is an increase of 29.9% due to lower utilization of COVID-19 vaccines in 2022. The specialty drug threshold increased to \$830 in 2022 from \$670 in 2021, affecting the comparison of 2022 specialty drug costs to 2021 costs. 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 2022 compared with 2021, we expect the net changes after accounting for rebates to be less than the 29.9% and 19.8% indicated above for brand and specialty drugs, respectively.

**The 25 Most Frequently Prescribed Drugs:** For all market segments combined for the 2022 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
<b>Total Prescription Drug Spending (including member cost share) (\$ million)</b>	\$47.5	\$178.3	\$553.0	\$778.8
<b>Insurer Prescription Drug Spending (excluding member cost share) (\$ million)</b>	\$21.5	\$162.2	\$529.4	\$713.1
<b>Total Number of Prescriptions (thousand)</b>	3,845	1,092	197	5,134

Table 9

25 Most Frequently Prescribed Drugs	Generic	Brand Name	Specialty	Overall	All Other Prescribed Drugs	Total
<b>Total Percentage of Prescriptions</b>	33.3%	9.5%	1.7%	44.4%	55.6%	100.0%
<b>Total Spending on Prescription Drugs</b>	2.8%	10.5%	32.7%	46.0%	54.0%	100.0%
<b>Impact on Total Health Insurance Premiums</b>	0.3%	2.1%	6.9%	9.2%	10.7%	20.0%

Table 10

*Tables 9 and 10 provide prescription drug cost by type and utilization, before any rebates are subtracted. Separate rebate information for generic, brand name, and specialty drugs is not available. After taking rebates into account, the cost of prescription drugs on average in 2022 represents 14.6% of premium.*

25 Most Frequently Prescribed Drugs	Generic (PMPM)	Brand Name (PMPM)	Specialty (PMPM)	Total (PMPM)
<b>Total Prescription Drug Spending (including member cost share)</b>	\$3.56	\$13.37	\$41.49	\$58.42
<b>Insurer Prescription Drug Spending (excluding member cost share)</b>	\$1.62	\$12.17	\$39.71	\$53.49
<b>Total Member Cost Share</b>	\$1.95	\$1.21	\$1.77	\$4.93

Table 11

25 Most Frequently Prescribed Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
<b>Total Prescription Drug Spending (including member cost share)</b>	\$12.35	\$163.24	\$2,801.33	\$151.68
<b>Insurer Prescription Drug Spending (excluding member cost share)</b>	\$5.60	\$148.52	\$2,681.54	\$138.89
<b>Total Member Cost Share</b>	\$6.75	\$14.72	\$119.79	\$12.80

Table 12

*Tables 11 and 12 show that member cost sharing constitutes approximately 8% 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 2022 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
<b>Total Prescription Drug Spending (including member cost share) (\$ million)</b>	\$68.6	\$223.5	\$641.4	\$933.5
<b>Insurer Prescription Drug Spending (excluding member cost share) (\$ million)</b>	\$44.3	\$203.0	\$619.8	\$867.1
<b>Total Number of Prescriptions (thousands)</b>	2,506	762	165	3,433

Table 13

25 Most Costly Drugs	Generic	Brand Name	Specialty	Overall	All Other Prescribed Drugs	Total
<b>Total Percentage of Prescriptions</b>	21.7%	6.6%	1.4%	29.7%	70.3%	100.0%
<b>Total Spending on Prescription Drugs</b>	4.1%	13.2%	37.9%	55.1%	44.9%	100.0%
<b>Impact on Total Health Insurance Premiums</b>	0.6%	2.6%	8.0%	11.2%	8.7%	20.0%

Table 14

*In Tables 13 and 14, the prescription drug cost is shown before any rebates are subtracted. 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 prescriptions overall, while accounting for 37.9% of total spending on prescription drugs.*

25 Most Costly Drugs	Generic (PMPM)	Brand Name (PMPM)	Specialty (PMPM)	Total (PMPM)
<b>Total Prescription Drug Spending (including member cost share)</b>	\$5.15	\$16.77	\$48.12	\$70.03
<b>Insurer Prescription Drug Spending (excluding member cost share)</b>	\$3.33	\$15.23	\$46.49	\$65.05
<b>Total Member Cost Share</b>	\$1.82	\$1.54	\$1.62	\$4.98

Table 15

25 Most Costly Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
<b>Total Prescription Drug Spending (including member cost share)</b>	\$27.38	\$293.43	\$3,888.63	\$271.98
<b>Insurer Prescription Drug Spending (excluding member cost share)</b>	\$17.69	\$266.51	\$3,757.34	\$252.63
<b>Total Member Cost Share</b>	\$9.68	\$26.92	\$131.29	\$19.35

Table 16

*In Tables 15 and 16, member cost sharing constitutes approximately 7% of drug costs. For costly drugs, members pay a smaller share, likely due to plan designs that utilize copayments, as opposed to coinsurance, and the annual limit on out-of-pocket cost.*

**The 25 Drugs with the Highest 2022-over-2021 Increase in Total Prescription Drug Spending:** For all market segments combined, information for the 25 drugs with the highest 2022-over-2021 increase is summarized in Table 17:

25 Drugs with Highest Increase	Generic	Brand Name	Specialty	Total
<b>2021 Total Prescription Drug Spending (including member cost share) (\$ million)</b>	\$36.8	\$142.5	\$359.2	\$538.4
<b>2022 Total Prescription Drug Spending (including member cost share) (\$ million)</b>	\$49.4	\$205.4	\$541.7	\$796.5

Table 17

*The names of the drugs with the highest increase 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 accepts the submitted data as accurate without conducting an independent audit or verification of its accuracy. As such, CDI cannot guarantee the accuracy and integrity of the submitted data. However, as much as is possible, the data was verified to be internally consistent, and when there have been inconsistencies, CDI has requested and received appropriate corrections and explanations from the companies.

#### **Background to the current filings**

This is the sixth year that insurance companies reported prescription drug data to CDI pursuant to CIC section 10123.205. CDI received filings from all insurers that must report prescription drug data.



#### **IV – Summary of the Filings**

Pursuant to CIC section 10123.205, CDI received filings from eight 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 drugs. The tables below present this data aggregated across all insurers and do not reveal health insurer-specific information.

The following insurance companies submitted filings:

<b>Company</b>
<b>Aetna Life Insurance Company</b>
<b>Anthem Blue Cross Life &amp; Health Insurance Company</b>
<b>Blue Shield of California Life &amp; Health Insurance Company</b>
<b>Cigna Health &amp; Life Insurance Company</b>
<b>Health Net Life Insurance Company</b>
<b>Kaiser Permanente Insurance Company</b>
<b>Nippon Life Insurance Company of America</b>
<b>UnitedHealthcare Insurance Company</b>

**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	ESCITALOPRAM	Antidepressants; Anxiolytics
6	SERTRALINE	Antidepressants; Anxiolytics
7	LOSARTAN	Cardiovascular Agents
8	METFORMIN	Cardiovascular Agents
9	ROSUVASTATIN	Cardiovascular Agents
10	BUPROPION	Cardiovascular Agents
11	AMOXICILLIN	Antibacterials
12	DEXTROAMPHETAMINE	Central Nervous System Agents
13	ALBUTEROL	Respiratory Tract/Pulmonary Agents
14	METOPROLOL	Gastrointestinal Agents
15	GABAPENTIN	Anticonvulsants; Central Nervous System Agents
16	HYDRO-CHLOROTHIAZIDE	Cardiovascular Agents
17	MONTELUKAST	Respiratory Tract/Pulmonary Agents
18	TRAZODONE	Antidepressants
19	AZITHROMYCIN	Antibacterials
20	PREDNISONE	Hormonal Agents, Stimulant/Replacement/Modifying (Adrenal); Inflammatory Bowel Disease Agents
21	IBUPROFEN	Analgesics; Anti-inflammatory Agents
22	OMEPRAZOLE	Gastrointestinal Agents
23	SPIRONOLACTONE	Cardiovascular Agents
24	FLUOXETINE	Antidepressants
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	FLUCELVAX	Vaccines
4	COVID-19 TEST	Diagnostic Tests
5	VYVANSE	Central Nervous System Agents
6	ADDERALL	Central Nervous System Agents
7	LO LOESTRIN FE	Contraceptives
8	JARDIANCE	Blood Glucose Regulators
9	FLUARIX	Vaccines
10	FLUZONE	Vaccines
11	SYNTHROID	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
12	PAXLOVID	Antivirals
13	SHINGRIX	Vaccines
14	ARMOUR THYROID	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
15	ELIQUIS	Blood Products and Modifiers
16	DEXCOM	Blood Glucose Regulators
17	ADVAIR	Respiratory Tract/Pulmonary Agents
18	CONCERTA	Central Nervous System Agents
19	LANTUS	Blood Glucose Regulators
20	ONETOUCH	Blood Glucose Regulators
21	OZEMPIC	Blood Glucose Regulators
22	XARELTO	Blood Products and Modifiers
23	FLOVENT	Respiratory Tract/Pulmonary Agents
24	TRULICITY	Blood Glucose Regulators
25	YAZ	Contraceptives

Table 19

*The 25 Most Frequently Prescribed Specialty Drugs:*

<b>Rank</b>	<b>Prescription Drug Name</b>	<b>Therapy Class</b>
1	OZEMPIC	Blood Glucose Regulators
2	TRULICITY	Blood Glucose Regulators
3	DESCOVY	Antivirals
4	HUMIRA	Immunological Agents
5	DUPIXENT	Immunological Agents
6	BIKTARVY	Antivirals
7	EMTRICITABINE	Antivirals
8	LATUDA	Antipsychotics
9	NURTEC	Antimigraine Agents
10	STELARA	Immunological Agents
11	JARDIANCE	Blood Glucose Regulators
12	HUMALOG	Blood Glucose Regulators
13	VRAYLAR	Antipsychotics
14	RYBELSUS	Blood Glucose Regulators
15	OTEZLA	Dermatological Agents; Immunological Agents
16	ENBREL	Immunological Agents
17	MOUNJARO	Blood Glucose Regulators
18	COSENTYX	Immunological Agents
19	WEGOVY	Blood Glucose Regulators
20	UBRELVY	Antimigraine Agents
21	LIALDA	Inflammatory Bowel Disease Agents
22	FARXIGA	Blood Glucose Regulators
23	REXULTI	Antipsychotics
24	TREMFYA	Immunological Agents
25	SAXENDA	Anti-Obesity Agents

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

Table 21

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

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

Table 22

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

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

Table 23

**The 25 Drugs with the Highest 2022-over-2021 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 2022-over-2021 Increase in Total Prescription Drug Spending:*

Rank	Prescription Drug Name	Therapy Class
1	OSELTAMIVIR	Antivirals
2	ESTRADIOL	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
3	VARENICLINE	Anti-Addiction/Substance Abuse Treatment Agents
4	ALBUTEROL	Respiratory Tract/Pulmonary Agents
5	DEXTROAMPHETAMINE	Central Nervous System Agents
6	AMOXICILLIN	Antibacterials
7	DEXLANSOPRAZOLE	Gastrointestinal Agents
8	ROSUVASTATIN	Cardiovascular Agents
9	CYCLOSPORINE	Immunological Agents
10	ICOSAPENT	Cardiovascular Agents
11	ADAPALENE	Dermatological Agents
12	MESALAMINE	Inflammatory Bowel Disease Agents
13	HAILEY	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
14	EMTRICITABINE	Antivirals
15	CEFDINIR	Antibacterials
16	ATOMOXETINE	Central Nervous System Agents
17	NEBIVOLOL	Cardiovascular Agents
18	NALOXONE	Anti-Addiction/Substance Abuse Treatment Agents
19	ELURYNG	Contraceptives
20	ISOTRETINOIN	Dermatological Agents
21	BUPROPION	Cardiovascular Agents
22	EPINEPHRINE	Respiratory Tract/Pulmonary Agents
23	LACOSAMIDE	Anticonvulsants
24	LAMOTRIGINE	Anticonvulsants; Bipolar Agents
25	BUDESONIDE	Respiratory Tract/Pulmonary Agents

Table 24



*The 25 Brand Name Drugs with the Highest 2022-over-2021 Increase in Total Prescription Drug Spending:*

<b>Rank</b>	<b>Prescription Drug Name</b>	<b>Therapy Class</b>
<b>1</b>	OZEMPIC	Blood Glucose Regulators
<b>2</b>	JARDIANCE	Blood Glucose Regulators
<b>3</b>	VYVANSE	Central Nervous System Agents
<b>4</b>	ADDERALL	Central Nervous System Agents
<b>5</b>	PFIZER-BIONTECH COVID-19 VACCINE	Vaccines
<b>6</b>	COVID-19 TEST	Diagnostic Tests
<b>7</b>	DEXCOM	Blood Glucose Regulators
<b>8</b>	NOVOLOG	Blood Glucose Regulators
<b>9</b>	FARXIGA	Blood Glucose Regulators
<b>10</b>	CONCERTA	Central Nervous System Agents
<b>11</b>	TRULICITY	Blood Glucose Regulators
<b>12</b>	RYBELSUS	Blood Glucose Regulators
<b>13</b>	FLUCELVAX	Vaccines
<b>14</b>	ELIQUIS	Blood Products and Modifiers
<b>15</b>	XARELTO	Blood Products and Modifiers
<b>16</b>	ENTRESTO	Cardiovascular Agents
<b>17</b>	SHINGRIX	Vaccines
<b>18</b>	EMGALITY	Antimigraine Agents
<b>19</b>	NURTEC	Antimigraine Agents
<b>20</b>	MODERNA COVID-19 VACCINE	Vaccines
<b>21</b>	UBRELVY	Antimigraine Agents
<b>22</b>	OMNIPOD	Blood Glucose Regulators
<b>23</b>	TRELEGY	Respiratory Tract/Pulmonary Agents
<b>24</b>	AJOVY	Antimigraine Agents
<b>25</b>	REPATHA	Cardiovascular Agents

Table 25

*The 25 Specialty Drugs with the Highest 2022-over-2021 Increase in Total Prescription Drug Spending:*

<b>Rank</b>	<b>Prescription Drug Name</b>	<b>Therapy Class</b>
<b>1</b>	STELARA	Immunological Agents
<b>2</b>	HUMIRA	Immunological Agents
<b>3</b>	SKYRIZI	Immunological Agents
<b>4</b>	DUPIXENT	Immunological Agents
<b>5</b>	DESCOVY	Antivirals
<b>6</b>	TRIKAFTA	Respiratory Tract/Pulmonary Agents
<b>7</b>	OZEMPIC	Blood Glucose Regulators
<b>8</b>	TREMFYA	Immunological Agents
<b>9</b>	BIKTARVY	Antivirals
<b>10</b>	VERZENIO	Antineoplastics
<b>11</b>	WEGOVY	Blood Glucose Regulators
<b>12</b>	TALTZ	Immunological Agents
<b>13</b>	COSENTYX	Immunological Agents
<b>14</b>	OTEZLA	Dermatological Agents; Immunological Agents
<b>15</b>	LYNPARZA	Antineoplastics
<b>16</b>	XOLAIR	Immunological Agents
<b>17</b>	STRENSIQ	Genetic or Enzyme Disorder: Replacement, Modifiers, Treatment
<b>18</b>	ENBREL	Immunological Agents
<b>19</b>	TRULICITY	Blood Glucose Regulators
<b>20</b>	BENEFIX	Blood Products and Modifiers
<b>21</b>	RINVOQ	Immunological Agents
<b>22</b>	NURTEC	Antimigraine Agents
<b>23</b>	EMTRICITABINE	Antivirals
<b>24</b>	KESIMPTA	Antineoplastics
<b>25</b>	ELOCTATE	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 2022, the threshold amount is \$830 for a one-month supply.