

Impact of Prescription Drug Costs on Health Insurance Premiums

California Department of Insurance Report for Calendar Year 2024 Experience

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



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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 2024 calendar year. California Insurance Code (CIC) section 10123.205¹ requires health insurers that file rate information to annually report specified data to CDI on costs associated with covered prescription drugs.² Based on this data, CDI must annually publish a report demonstrating the overall impact of drug costs on health insurance premiums.³ This is the eighth year that CDI has received, analyzed, and reported its findings on the relationship between drug spending and health insurance premiums.

Comparing the 2024 data to previous years reveals the following:

- 1) Generic drugs comprised 85% of all prescriptions, but only 12% of drug spending. Conversely, specialty drugs accounted for only 4% of all prescriptions, yet encompass 71% of drug spending.⁴ Brand name drugs accounted for 11% of all prescriptions and 17% of drug spending (Table 1).
- 2) Drug utilization, measured by the number of prescriptions, increased by 1.6% in 2024 over 2023 (Table 2).
- 3) 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).
- 4) Prescription drugs accounted for 16.8% of total health care premiums in 2024, once rebates are subtracted, up from 16.0% in 2023 (Table 5).⁵
- 5) Prescription drugs accounted for 18.6% of all medical costs in 2024, once rebates are subtracted, more than the 18.3% figure for 2023 (Table 5).⁶
- 6) Drug costs per prescription increased by 11.7% overall (Table 8). However, the same increased costs per prescription were not found across all drug categories: specialty drugs increased by 7.4% in cost per prescription, while brand name drugs increased in cost per prescription by 19.5%. Higher utilization of Glucagon-like peptide-1 (GLP-1) medications in 2024 has increased the cost per prescription of brand name drugs. The COVID-19 vaccines have also impacted the overall utilization and cost of brand name drugs.

In 2024, two COVID-19 vaccines, Comirnaty and Spikevax, were included in the top 25 most prescribed brand name drugs, but with less utilization and higher costs compared to 2023. Inclusion of the COVID-19 vaccine data decreased the

¹ Added by Senate Bill 17 (Hernandez, Ch. 603, Stats. 2017).

² CIC § 10123.205(a).

³ CIC § 10123.205(b).

⁴ “Specialty Drug” is a drug with a 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)).

⁵ Several health insurers updated their costs for 2023, resulting in a change in the 2023 figure.

⁶ Several health insurers updated their costs for 2023, resulting in a change in the 2023 figure.

overall utilization of brand name drugs in 2024 compared to 2023, while increasing the cost per prescription.

- 7) A portion of the increased drug costs per prescription for brand name drugs was offset by increased rebates in 2024 (Table 4).
- 8) Among the 25 most costly prescription drugs, while specialty drugs accounted for only 2.8% of all prescriptions, these drugs accounted for 43.9% of total spending on prescription drugs (Table 14).

II – Analysis

Filings: This report includes aggregated information that is based on submissions to CDI from health insurance companies and includes data from all fully-insured policies in the individual, small group, large group, and student market segments. 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.⁷

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, but excluding manufacturer rebates. 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.

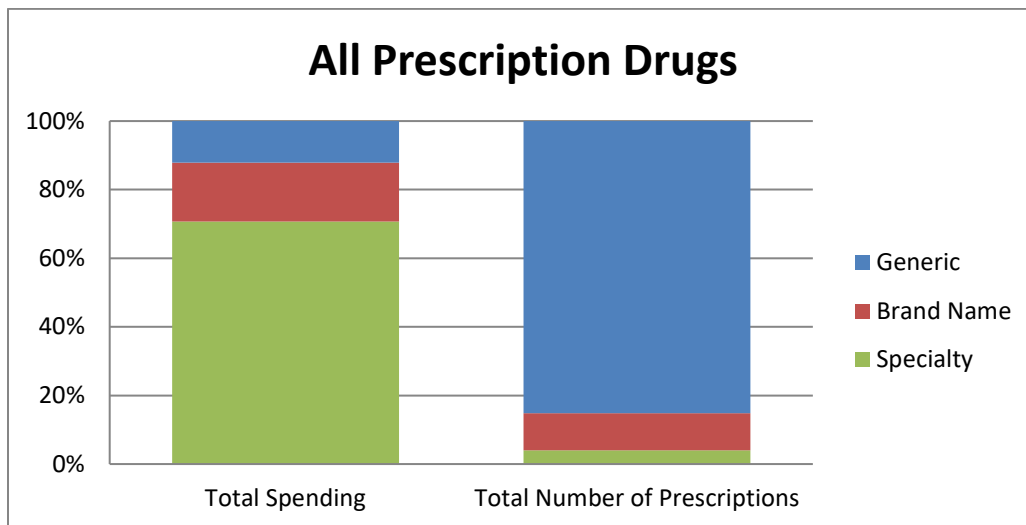
⁷ CIC § 10123.205(b).

Cost and Utilization for All Prescription Drugs: For the 2024 calendar experience year, Table 1 summarizes the following: the total 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.

All Prescription Drugs	Generic	Brand Name	Specialty	Total
Total Prescription Drug Spending (including member cost share) (\$ million)	\$165.5	\$233.8	\$966.1	\$1,365.4
Insurer Prescription Drug Spending (excluding member cost share) (\$ million)	\$119.8	\$213.4	\$943.2	\$1,276.3
Total Number of Prescriptions (thousand)	5,895	746	279	6,921

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 85% of prescriptions and 12% of spending; brand name drugs comprise 11% of prescriptions and 17% of spending; and specialty drugs comprise 4% of prescriptions and 71% 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 2023 and 2024 for all generic, brand name, and specialty drugs are compared and summarized in Table 2. There was a 5.4% decrease in the number of brand name drug prescriptions, which was partly due to lower utilization of COVID-19 vaccines in 2024, and a 7.6% increase in the number of specialty drug prescriptions, partly due to higher utilization of Glucagon-like peptide-1 (GLP-1) medications in 2024.

All Prescription Drugs	2023 (PMPY)	2024 (PMPY)	2024/2023
Generic			
# Scripts	7.80	7.98	2.3%
\$ Total Cost	\$215.97	\$223.93	3.7%
Brand Name			
# Scripts	1.07	1.01	-5.4%
\$ Total Cost	\$280.06	\$316.45	13.0%
Specialty			
# Scripts	0.35	0.38	7.6%
\$ Total Cost	\$1,132.01	\$1,307.50	15.5%
Total			
# Scripts	9.22	9.37	1.6%
\$ Total Cost	\$1,628.03	\$1,847.88	13.5%

Table 2

Costs in Relation to Premiums for All Prescription Drugs: For comprehensive health insurance policies that include pharmacy benefits in 2024, 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)	\$1,276.3	\$143.95
Manufacturer Rebates Paid to Insurers	-\$352.3	-\$39.73
Insurer Prescription Drug Spending after Rebates	\$924.0	\$104.22
Medical Claim Spending (excluding member cost share) (Paid Medical Plan Cost)	\$4,033.2	\$454.88
Total Health Insurance Premium	\$5,509.1	\$621.34
Total Member Months		8,866,000

Table 3

Year-Over-Year Changes in Costs for All Prescription Drugs: Table 4 compares the PMPM costs between 2023 and 2024 for comprehensive health insurance policies that include pharmacy benefits:⁸

Costs in Relation to Premium	PMPM (2023)	PMPM (2024)	2024/2023
1) Total Prescription Drug Spending (including member cost share)	\$135.67	\$153.99	13.5%
2) Insurer Prescription Drug Spending (excluding member cost-share) (Paid Plan Cost)	\$125.56	\$143.95	14.6%
3) Manufacturer Rebates Paid to Insurers	-\$34.31	-\$39.73	15.8%
4) Insurer Prescription Drug Spending after Rebates	\$91.25	\$104.22	14.2%
5) Medical Claim Spending (excluding member cost share) (Paid Medical Plan Cost)	\$407.43	\$454.88	11.6%
6) Total Health Insurance Premium	\$569.22	\$621.34	9.2%
7) Total Member Months	9,060,000	8,866,000	-2.1%

Table 4

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

- Row 1) shows an increase of 13.5% in overall drug spending PMPM, for combined costs paid by insurers and members. The increase in the portion paid by the insurer, however, is higher.
- Row 2) shows an increase of 14.6% in overall insurer drug spending PMPM before rebates are accounted for.
- Row 3) shows that manufacturer rebates paid to insurers increased by 15.8%.
- Row 4) shows an increase of 14.2% in overall insurer drug spending PMPM when rebates are subtracted.
- Row 5) shows the increase in drug spending for this population in 2024 (14.2%) was higher than the overall increase in medical spending (11.6%).

⁸ Several health insurers updated their costs for 2023, altering 2023 (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	2018	2019	2020	2021	2022	2023	2024
Prescription Cost (Net of Rebates)							
-as a % of Paid Medical + Prescription Cost	15.3%	16.3%	16.6%	16.3%	17.8%	18.3%	18.6%
-as a % of Total Health Care Premium	12.9%	14.0%	13.4%	14.1%	15.5%	16.0%	16.8%

Table 5

As shown in Table 5, prescription drug costs, net of manufacturer rebates, are increasing 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)
Total Prescription Drug Spending (including member cost share)	\$18.66	\$26.37	\$108.96	\$153.99
Insurer Prescription Drug Spending (excluding cost share)	\$13.51	\$24.07	\$106.37	\$143.95
Total Member Cost Share	\$5.15	\$2.30	\$2.59	\$10.04

Table 6

In Table 6, member cost sharing for prescription drugs is 7% overall, measured as a percent of total annual plan spending before rebates to insurers are subtracted. However, member cost sharing increases to 9% if measured as a percent of total annual plan spending net of rebates.⁹ Separate rebate information for generic, brand name, and specialty drugs is not available. For generic and specialty drugs, member cost share is slightly lower in percentage compared with 2023 data, and lower in dollar amount. For brand name drugs, member cost share is slightly lower in percentage compared with 2023 data, and higher in dollar amount.

⁹ Total member cost share (\$10.04) divided by total prescription drug spending (\$153.99) minus manufacturer rebates paid to insurers from Row 3 of Table 4 (\$-39.73).

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 7.¹⁰

All Prescription Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
Total Prescription Drug Spending (including member cost share)	\$28.07	\$313.34	\$3,457.52	\$197.28
Insurer Prescription Drug Spending (excluding member cost share)	\$20.32	\$285.96	\$3,375.48	\$184.42
Total Member Cost Share	\$7.75	\$27.38	\$82.04	\$12.86

Table 7

¹⁰ 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 2023 and 2024 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)
2023 Total Prescription Drug Spending (including member cost share)	\$27.69	\$262.28	\$3,219.91	\$176.62
2024 Total Prescription Drug Spending (including member cost share)	\$28.07	\$313.34	\$3,457.52	\$197.28
% Change	1.3%	19.5%	7.4%	11.7%

Table 8

Data in Table 8 indicates an average increase of 11.7% in cost per prescription; this varies, however, for different categories of drugs. The change for generics is an increase of 1.3%, while the change for specialty drugs is an increase of 7.4%. The change for brand name drugs is an increase of 19.5% due to lower utilization of COVID-19 vaccines in 2024 and the increase in the specialty drug threshold to \$950 in 2024 from \$830 in 2023, affecting the comparison of 2024 drug costs to 2023 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 2024 compared with 2023, we expect the net changes after accounting for rebates to be less than the 19.5% increase and 7.4% increase indicated above for brand and specialty drugs, respectively.

The 25 Most Frequently Prescribed Drugs: For all market segments combined for the 2024 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)	\$41.6	\$130.4	\$518.1	\$690.1
Insurer Prescription Drug Spending (excluding member cost share) (\$ million)	\$24.9	\$119.8	\$492.4	\$637.1
Total Number of Prescriptions (thousand)	2,443	434	218	3,095

Table 9

25 Most Frequently Prescribed Drugs	Generic	Brand Name	Specialty	Overall	All Other Prescribed Drugs	Total
Total Percentage of Prescriptions	35.3%	6.3%	3.1%	44.7%	55.3%	100.0%
Total Spending on Prescription Drugs	3.0%	9.6%	37.9%	50.5%	49.5%	100.0%
Impact on Total Health Insurance Premiums	0.5%	2.2%	8.9%	11.6%	11.6%	23.2%

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.

25 Most Frequently Prescribed Drugs	Generic (PMPM)	Brand Name (PMPM)	Specialty (PMPM)	Total (PMPM)
Total Prescription Drug Spending (including member cost share)	\$4.70	\$14.71	\$58.43	\$77.84
Insurer Prescription Drug Spending (excluding member cost share)	\$2.81	\$13.51	\$55.53	\$71.85
Total Member Cost Share	\$1.89	\$1.20	\$2.90	\$5.99

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)	\$17.05	\$300.35	\$2,377.92	\$223.00
Insurer Prescription Drug Spending (excluding member cost share)	\$10.19	\$275.91	\$2,259.71	\$205.84
Total Member Cost Share	\$6.86	\$24.43	\$118.21	\$17.16

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 2024 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)	\$67.2	\$153.3	\$599.5	\$820.0
Insurer Prescription Drug Spending (excluding member cost share) (\$ million)	\$53.2	\$141.7	\$574.9	\$769.8
Total Number of Prescriptions (thousands)	1,456	338	194	1,988

Table 13

25 Most Costly Drugs	Generic	Brand Name	Specialty	Overall	All Other Prescribed Drugs	Total
Total Percentage of Prescriptions	21.0%	4.9%	2.8%	28.7%	71.3%	100.0%
Total Spending on Prescription Drugs	4.9%	11.2%	43.9%	60.1%	39.9%	100.0%
Impact on Total Health Insurance Premiums	1.0%	2.6%	10.4%	14.0%	9.2%	23.2%

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 2.8% of prescriptions overall, while accounting for 43.9% 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)	\$7.57	\$17.29	\$67.61	\$92.48
Insurer Prescription Drug Spending (excluding member cost share)	\$6.00	\$15.98	\$64.84	\$86.82
Total Member Cost Share	\$1.58	\$1.31	\$2.77	\$5.65

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)	\$46.14	\$453.62	\$3,085.45	\$412.47
Insurer Prescription Drug Spending (excluding member cost share)	\$36.53	\$419.29	\$2,959.11	\$387.26
Total Member Cost Share	\$9.60	\$34.33	\$126.34	\$25.22

Table 16

In Tables 15 and 16, member cost sharing constitutes approximately 6% 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 costs.

The 25 Drugs with the Highest 2024-over-2023 Increase in Total Prescription Drug Spending: For all market segments combined, information for the 25 drugs with the highest 2024-over-2023 increase is summarized in Table 17:

25 Drugs with Highest Increase	Generic	Brand Name	Specialty	Total
2023 Total Prescription Drug Spending (including member cost share) (\$ million)	\$16.9	\$68.8	\$257.9	\$343.6
2024 Total Prescription Drug Spending (including member cost share) (\$ million)	\$36.2	\$103.6	\$450.0	\$589.9

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 eighth 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:

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
Kaiser Permanente Insurance Company
Nippon Life Insurance Company of America
UnitedHealthcare Insurance Company
Wellfleet 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	ESCITALOPRAM	Antidepressants; Anxiolytics
4	ROSUVASTATIN	Cardiovascular Agents
5	AMOXICILLIN	Antibacterials
6	DEXTROAMPHETAMINE	Central Nervous System Agents
7	AMLODIPINE	Cardiovascular Agents
8	METFORMIN	Cardiovascular Agents
9	LOSARTAN	Cardiovascular Agents
10	LISINOPRIL	Cardiovascular Agents
11	SERTRALINE	Antidepressants; Anxiolytics
12	BUPROPION	Antidepressants
13	FLUOXETINE	Antidepressants
14	ALBUTEROL	Respiratory Tract/Pulmonary Agents
15	METOPROLOL	Gastrointestinal Agents
16	SPIRONOLACTONE	Cardiovascular Agents
17	GABAPENTIN	Anticonvulsants; Central Nervous System Agents
18	AZITHROMYCIN	Antibacterials
19	TRAZODONE	Antidepressants
20	ESTRADIOL	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
21	HYDROCHLOROTHIAZIDE	Cardiovascular Agents
22	PROGESTERONE	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
23	MONTELUKAST	Respiratory Tract/Pulmonary Agents
24	OMEPRAZOLE	Gastrointestinal Agents
25	IBUPROFEN	Analgesics; Anti-inflammatory Agents

Table 18

The 25 Most Frequently Prescribed Brand Name Drugs:

Rank	Prescription Drug Name	Therapy Class
1	COMIRNATY	Vaccines
2	FLUCELVAX	Vaccines
3	OZEMPIC	Blood Glucose Regulators
4	SPIKEVAX	Vaccines
5	DEXCOM	Blood Glucose Regulators
6	LO LOESTRIN FE	Contraceptives
7	JARDIANCE	Blood Glucose Regulators
8	VYVANSE	Central Nervous System Agents
9	ELIQUIS	Blood Products and Modifiers
10	SYNTHROID	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
11	FLUARIX	Vaccines
12	FLUZONE	Vaccines
13	ARMOUR THYROID	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
14	COVID-19 TEST	Diagnostic Tests
15	FLUBLOK	Vaccines
16	XARELTO	Blood Products and Modifiers
17	FLULAVAL	Vaccines
18	LANTUS	Blood Glucose Regulators
19	FARXIGA	Blood Glucose Regulators
20	SLYND	Contraceptives
21	NOVOLOG	Blood Glucose Regulators
22	TRULICITY	Blood Glucose Regulators
23	BREO ELLIPTA	Respiratory Tract/Pulmonary Agents
24	REPATHA	Cardiovascular Agents
25	SHINGRIX	Vaccines

Table 19

The 25 Most Frequently Prescribed Specialty Drugs:

Rank	Prescription Drug Name	Therapy Class
1	MOUNJARO	Blood Glucose Regulators
2	WEGOVY	Blood Glucose Regulators
3	ZEPBOUND	Blood Glucose Regulators
4	OZEMPIC	Blood Glucose Regulators
5	DESCOVY	Antivirals
6	DUPIXENT	Immunological Agents
7	PAXLOVID	Antivirals
8	NURTEC	Antimigraine Agents
9	JARDIANCE	Blood Glucose Regulators
10	BIKTARVY	Antivirals
11	HUMIRA	Immunological Agents
12	UBRELVY	Antimigraine Agents
13	VRAYLAR	Antipsychotics
14	EMTRICITABINE	Antivirals
15	QULIPTA	Antimigraine Agents
16	STELARA	Immunological Agents
17	TRULICITY	Blood Glucose Regulators
18	SKYRIZI	Immunological Agents
19	FARXIGA	Blood Glucose Regulators
20	RINVOQ	Immunological Agents
21	ENBREL	Immunological Agents
22	HYRIMOZ	Immunological Agents
23	RYBELSUS	Blood Glucose Regulators
24	SPRAVATO	Antidepressants
25	OPZELURA	Antineoplastics

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	LISDEXAMFETAMINE	Central Nervous System Agents
2	DEXTROAMPHETAMINE	Central Nervous System Agents
3	ROSUVASTATIN	Cardiovascular Agents
4	ATORVASTATIN	Cardiovascular Agents
5	BUPROPION	Antidepressants
6	ESTRADIOL	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
7	EMTRICITABINE	Antivirals
8	EPINEPHRINE	Respiratory Tract/Pulmonary Agents
9	MESALAMINE	Inflammatory Bowel Disease Agents
10	LURASIDONE	Antipsychotics
11	ALBUTEROL	Respiratory Tract/Pulmonary Agents
12	METHYLPHENIDATE	Central Nervous System Agents
13	PROGESTERONE	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
14	ESCITALOPRAM	Antidepressants; Anxiolytics
15	ATOMOXETINE	Central Nervous System Agents
16	FLUOXETINE	Antidepressants
17	VALACYCLOVIR	Antivirals
18	TRETINOIN	Dermatological Agents
19	WIXELA	Respiratory Tract/Pulmonary Agents
20	SERTRALINE	Antidepressants; Anxiolytics
21	CLOBETASOL	Dermatological Agents
22	DAPAGLIFLOZIN	Blood Glucose Regulators
23	LOSARTAN	Cardiovascular Agents
24	BUDESONIDE	Respiratory Tract/Pulmonary Agents
25	CYCLOSPORINE	Immunological Agents

Table 21

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

Rank	Prescription Drug Name	Therapy Class
1	OZEMPIC	Blood Glucose Regulators
2	JARDIANCE	Blood Glucose Regulators
3	ELIQUIS	Blood Products and Modifiers
4	VYVANSE	Central Nervous System Agents
5	DEXCOM	Blood Glucose Regulators
6	COMIRNATY	Vaccines
7	XARELTO	Blood Products and Modifiers
8	TRULICITY	Blood Glucose Regulators
9	LO LOESTRIN FE	Contraceptives
10	REPATHA	Cardiovascular Agents
11	TRELEGY	Respiratory Tract/Pulmonary Agents
12	FARXIGA	Blood Glucose Regulators
13	TRINTELLIX	Antidepressants
14	LINZESS	Gastrointestinal Agents
15	SPIKEVAX	Vaccines
16	EMGALITY	Antimigraine Agents
17	JANUVIA	Blood Glucose Regulators
18	TRESIBA	Blood Glucose Regulators
19	RYBELSUS	Blood Glucose Regulators
20	ENTRESTO	Cardiovascular Agents
21	OMNIPOD	Blood Glucose Regulators
22	BREO ELLIPTA	Respiratory Tract/Pulmonary Agents
23	RESTASIS	Ophthalmic Agents
24	AJOVY	Antimigraine Agents
25	AIMOVIG	Antimigraine Agents

Table 22

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

Rank	Prescription Drug Name	Therapy Class
1	STELARA	Immunological Agents
2	DUPIXENT	Immunological Agents
3	HUMIRA	Immunological Agents
4	SKYRIZI	Immunological Agents
5	MOUNJARO	Blood Glucose Regulators
6	WEGOVY	Blood Glucose Regulators
7	DESCOVY	Antivirals
8	BIKTARVY	Antivirals
9	TRIKAFTA	Respiratory Tract/Pulmonary Agents
10	RINVOQ	Immunological Agents
11	OZEMPIC	Blood Glucose Regulators
12	ENBREL	Immunological Agents
13	ZEPBOUND	Blood Glucose Regulators
14	TREMFYA	Immunological Agents
15	PAXLOVID	Antivirals
16	TALTZ	Immunological Agents
17	OTEZLA	Dermatological Agents; Immunological Agents
18	NURTEC	Antimigraine Agents
19	VERZENIO	Antineoplastics
20	COSENTYX	Immunological Agents
21	RUCONEST	Immunological Agents
22	JARDIANCE	Blood Glucose Regulators
23	EMTRICITABINE	Antivirals
24	TRULICITY	Blood Glucose Regulators
25	IBRANCE	Antineoplastics

Table 23

The 25 Drugs with the Highest 2024-over-2023 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 2024-over-2023 Increase in Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	LISDEXAMFETAMINE	Central Nervous System Agents
2	FLUTICASONE	Dermatological Agents
3	ROSUVASTATIN	Cardiovascular Agents
4	DAPAGLIFLOZIN	Blood Glucose Regulators
5	WIXELA	Respiratory Tract/Pulmonary Agents
6	BREYNA	Respiratory Tract/Pulmonary Agents
7	ATORVASTATIN	Cardiovascular Agents
8	DEXTROAMPHETAMINE	Central Nervous System Agents
9	BUDESONIDE	Respiratory Tract/Pulmonary Agents
10	ESTRADIOL	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
11	MYCOPHENOLATE	Immunological Agents
12	ISOTRETINOIN	Dermatological Agents
13	ESCITALOPRAM	Antidepressants; Anxiolytics
14	METHYLPHENIDATE	Central Nervous System Agents
15	PROGESTERONE	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
16	LURASIDONE	Antipsychotics
17	BUPROPION	Antidepressants
18	LAMOTRIGINE	Anticonvulsants; Bipolar Agents
19	SERTRALINE	Antidepressants; Anxiolytics
20	CLOMID	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
21	ICOSAPENT ETHYL	Cardiovascular Agents
22	ARIPIPRAZOLE	Antidepressants; Antipsychotics; Bipolar Agents
23	TESTOSTERONE	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
24	SYMBICORT	Respiratory Tract/Pulmonary Agents
25	FLUOXETINE	Antidepressants

Table 24

The 25 Brand Name Drugs with the Highest 2024-over-2023 Increase in Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	OZEMPIC	Blood Glucose Regulators
2	COMIRNATY	Vaccines
3	DEXCOM	Blood Glucose Regulators
4	ELIQUIS	Blood Products and Modifiers
5	REPATHA	Cardiovascular Agents
6	JARDIANCE	Blood Glucose Regulators
7	SPIKEVAX	Vaccines
8	ZORYVE	Dermatological Agents
9	TRELEGY	Respiratory Tract/Pulmonary Agents
10	FLUCELVAX	Vaccines
11	MIEBO	Ophthalmic Agents
12	JANUVIA	Blood Glucose Regulators
13	ENTRESTO	Cardiovascular Agents
14	BREO ELLIPTA	Respiratory Tract/Pulmonary Agents
15	RYBELSUS	Blood Glucose Regulators
16	FLUBLOK	Vaccines
17	VEOZAH	Central Nervous System Agents
18	AIRSUPRA	Respiratory Tract/Pulmonary Agents
19	MOUNJARO	Blood Glucose Regulators
20	PULMICORT	Respiratory Tract/Pulmonary Agents
21	EMGALITY	Antimigraine Agents
22	AUVI-Q	Respiratory Tract/Pulmonary Agents
23	AZSTARYS	Central Nervous System Agents
24	LINZESS	Gastrointestinal Agents
25	FLUZONE	Vaccines

Table 25

The 25 Specialty Drugs with the Highest 2024-over-2023 Increase in Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	MOUNJARO	Blood Glucose Regulators
2	ZEPBOUND	Blood Glucose Regulators
3	SKYRIZI	Immunological Agents
4	PAXLOVID	Antivirals
5	DUPIXENT	Immunological Agents
6	STELARA	Immunological Agents
7	RINVOQ	Immunological Agents
8	RUCONEST	Immunological Agents
9	WEGOVY	Blood Glucose Regulators
10	OZEMPIC	Blood Glucose Regulators
11	COSENTYX	Immunological Agents
12	HEMLIBRA	Blood Products and Modifiers
13	HYRIMOZ	Immunological Agents
14	KISQALI	Antineoplastics
15	TRIKAFTA	Respiratory Tract/Pulmonary Agents
16	NURTEC	Antimigraine Agents
17	VERZENIO	Antineoplastics
18	DESCOVY	Antivirals
19	ENBREL	Immunological Agents
20	QULIPTA	Antimigraine Agents
21	KESIMPTA	Antineoplastics
22	ALTUVIIIO	Blood Products and Modifiers
23	TALTZ	Immunological Agents
24	SOGROYA	Hormonal Agents, Stimulant/Replacement/ Modifying (Pituitary)
25	XYWAV	Sleep Disorder Agents

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 Insurance Code sections 10112.2 and 10123.196, including any such over-the-counter drugs, devices, and FDA-approved products; and (iv) at the option of the health insurer, 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 an 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 2024, the threshold amount is \$950 for a one-month supply.