

Price Progression of Largest Dollar Volume Medicaid Prescription Drugs, 2013 – 2016

5 Slide Series, Volume 41

October 2016

The Menges Group

Introduction and Methodology Overview

- This edition looks at the progression of price per prescription among the drugs with the highest Medicaid expenditures.
 - We identified the top 25 drugs at the national drug code (NDC) level based on total Medicaid prescription expenditures in Q2 2016.
Note: Prescription drugs often consist of more than one NDC. This top 25 list is by NDC, meaning that 1) the same drugs can (and do) appear on the top 25 list more than once and 2) the drugs on this list typically have many additional NDCs that were not among the top 25.
 - The average price per prescription for each of these NDCs was then tabulated by calendar quarter and compared across the timeframe of January 2013 through June 2016.
- Our tabulations include Medicaid prescriptions paid in the fee-for-service setting and those paid by Medicaid managed care organizations.
- Medicaid drug rebate information is not available at the individual drug level. While the data reported in this edition are therefore all pre-rebate figures, the Medicaid rebates are significant. The minimum Medicaid rebate for brand drugs is 23% and the average Medicaid rebate across all brand drugs in 2015 was 56%.

Overall Medicaid Prescription Drug Trends, 2013 - 2016

- From the first quarter of 2013 to the second quarter of 2016, pre-rebate Medicaid spending on all prescription drugs increased by 58.1%, from \$9.5 billion to \$15.0 billion.
- While the number of prescriptions has increased considerably during this timeframe (by 24.2%), the increase in Rx expenditures far outpaced the prescription volume increase. The average cost per prescription, pre-rebate, increased from \$65.24 in Q1 2013 to \$83.05 in Q2 2016—a 27.3% rise. This represents an average annual increase of 7.7% in Medicaid costs per prescription across this timeframe.
- ***During Q2 2016, more than 26,000 NDCs had Medicaid prescription volume. The 25 NDCs accounting for the highest expenditures in Q2 2016 collectively represented 21% of all Medicaid pre-rebate costs. Most of these drugs have seen very large price increases during recent years.***

Drug Prices Have Risen Sharply Among the Costliest NDCs

- The price per prescription for 22 of the top 25 NDCs increased from the first quarter of 2013 to the second quarter of 2016.
- Among the three drugs with price *decreases*, two have had an average price per prescription above \$20,000 throughout their existence.
- The price of Epipen, a drug used for allergic reactions, increased by 133% per prescription across the 3.5 year timeframe (an average annual increase of 30%).
- The mean price change across these 25 NDCs was a 36% increase across this 3.5 year timeframe (an average increase of 10% per year). The median price change across the 25 NDCs was an increase of 28% (an average increase of 8% per year).

Change in Pre-Rebate Cost Per Prescription 25 Costliest NDCs, Q1 2013 – Q2 2016 (Sorted in Descending Order by Percentage Price Change)

NDC	Drug Name	Drug Manufacturer	Total Medicaid Prescription Drug Expenditures, Q2 2016	Raw Change in Cost Per Script, Q1 2013 - Q2 2016*	Percent Change in Cost Per Script, 2013 Q1 - 2016 Q2*
49502050002	Epipen 2-Pak	Mylan Specialty	\$72,400,093	\$154	133%
00088222033	Lantus OptiClik Cartridge	Aventis Pharmaceuticals	\$166,722,338	\$111	80%
00074433902	Humira Pen	Abbott Laboratories	\$209,849,939	\$882	77%
00002751001	Humalog Pen	Eli Lilly and Company	\$86,518,352	\$92	71%
58406044504	Enbrel SureClick	Amgen/Immunex	\$88,732,174	\$718	65%
00002879959	Humalog Pen	Eli Lilly and Company	\$72,403,587	\$116	62%
00169633910	NovoLOG FlexPen	Novo Nordisk	\$82,129,524	\$103	58%
00088221905	Lantus OptiClik Cartridge	Aventis Pharmaceuticals	\$170,097,682	\$107	53%
59148000713	Abilify	Otsuka America Pharmaceutical	\$78,180,629	\$152	46%
00173068220	Ventolin HFA	GlaxoSmithKline	\$108,890,968	\$7	39%
00173069600	Advair Diskus	GlaxoSmithKline	\$76,155,665	\$39	35%
15584010101	Atripla	Bristol-Myers Squibb and Gilead Sciences	\$127,316,545	\$239	31%
00597007541	Spiriva	Boehringer Ingelheim Pharmaceuticals	\$87,496,629	\$34	28%
61958110101	Complera	Gilead Sciences	\$78,999,136	\$249	26%
61958070101	Truvada	Gilead Sciences	\$190,442,529	\$122	25%
00186037020	Symbicort	AstraZeneca	\$106,342,721	\$32	24%
50458056401	Invega Sustenna	Janssen Pharmaceuticals	\$79,898,798	\$208	23%
59310057922	ProAir HFA	Teva Respiratory	\$82,681,845	\$5	20%
61958120101	Stribild	Gilead Sciences	\$114,323,894	\$216	18%
49702023113	Triumeq*	ViiV Healthcare	\$104,502,687	\$266	15%
49702022813	Tivicay*	ViiV Healthcare	\$68,055,313	\$64	13%
00003021501	Daklinza*	Bristol-Myers Squibb	\$71,666,753	\$539	8%
61958180101	Harvoni*	Gilead Sciences	\$535,744,583	-\$3,022	-10%
61958150101	Sovaldi*	Gilead Sciences	\$164,959,172	-\$2,841	-14%
12496120803	Suboxone	Reckitt Benckiser Pharmaceuticals	\$121,844,377	-\$15	-16%

*For Harvoni, Sovaldi, Triumeq, Daklinza, and Tivicay, this change represents the change from the drug's quarter of introduction.

Nationwide Medicaid Pre-Rebate Cost Per Script Quarterly Progression

NDC	Drug Name	Drug Manufacturer	Pre-Rebate Cost Per Script				
			Q1 2013	Q1 2014	Q1 2015	Q1 2016	Q2 2016
61958180101	Harvoni	Gilead Sciences	N/A	N/A	\$29,657	\$27,545	\$27,634
61958150101	Sovaldi	Gilead Sciences	N/A	\$27,769	\$23,752	\$22,451	\$24,287
00003021501	Daklinza	Bristol-Myers Squibb	N/A	N/A	N/A	\$17,045	\$18,273
00074433902	Humira Pen	Abbott Laboratories	\$2,371	\$2,705	\$3,168	\$4,019	\$4,198
58406044504	Enbrel SureClick	Amgen/Immunex	\$2,374	\$2,646	\$3,067	\$3,828	\$3,907
61958120101	Stribild	Gilead Sciences	\$2,371	\$2,479	\$2,603	\$2,752	\$2,790
49702023113	Triumeq	ViiV Healthcare	N/A	N/A	\$2,423	\$2,507	\$2,527
61958110101	Complera	Gilead Sciences	\$1,932	\$2,055	\$2,136	\$2,430	\$2,437
15584010101	Atripla	Bristol-Myers Squibb and Gilead Sciences	\$1,885	\$2,013	\$2,181	\$2,420	\$2,469
50458056401	Invega Sustenna	Janssen Pharmaceuticals	\$1,695	\$1,800	\$1,917	\$2,065	\$2,086
49702022813	Tivicay	ViiV Healthcare	N/A	\$1,308	\$1,402	\$1,528	\$1,572
61958070101	Truvada	Gilead Sciences	\$1,219	\$1,278	\$1,328	\$1,500	\$1,528
59148000713	Abilify	Otsuka America Pharmaceutical	\$639	\$766	\$885	\$941	\$935
00002879959	Humalog Pen	Eli Lilly and Company	\$321	\$378	\$458	\$519	\$521
00169633910	NovoLOG FlexPen	Novo Nordisk	\$317	\$368	\$442	\$503	\$501
49502050002	Epipen 2-Pak	Mylan Specialty	\$243	\$308	\$413	\$540	\$567
00088221905	Lantus OptiClik Cartridge	Aventis Pharmaceuticals	\$263	\$339	\$414	\$403	\$402
00002751001	Humalog Pen	Eli Lilly and Company	\$246	\$285	\$356	\$416	\$420
00088222033	Lantus OptiClik Cartridge	Aventis Pharmaceuticals	\$206	\$276	\$372	\$369	\$370
00597007541	Spiriva	Boehringer Ingelheim Pharmaceuticals	\$268	\$285	\$311	\$323	\$344
00173069600	Advair Diskus	GlaxoSmithKline	\$255	\$283	\$304	\$341	\$343
00186037020	Symbicort	AstraZeneca	\$236	\$252	\$274	\$289	\$293
12496120803	Suboxone	Reckitt Benckiser Pharmaceuticals	\$253	\$244	\$247	\$216	\$213
59310057922	ProAir HFA	Teva Respiratory	\$51	\$54	\$57	\$60	\$61
00173068220	Ventolin HFA	GlaxoSmithKline	\$41	\$45	\$48	\$53	\$57

5 Slide Series Overview

Our 5 Slide Series is a monthly publication whereby we briefly discuss/address a selected topic outside the confines of our client engagements. We strive to create new information in each edition – through our own data tabulations and/or through conveying our ideas and opinions.

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