



Trends in Out-of-Pocket Spending for Brand Medicines in Medicare Part D

March 2021



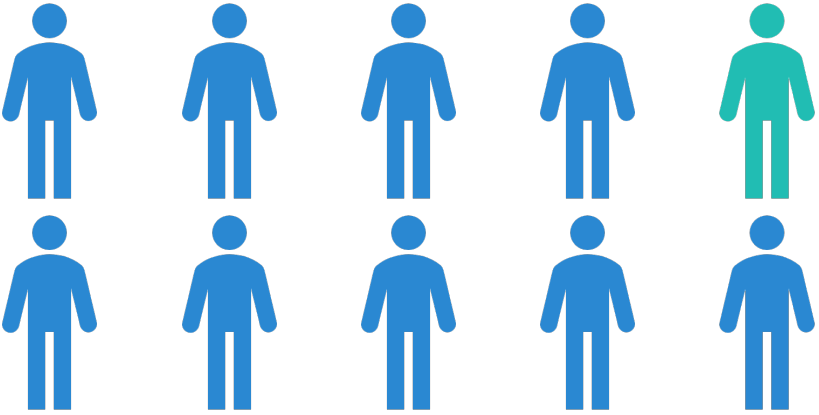
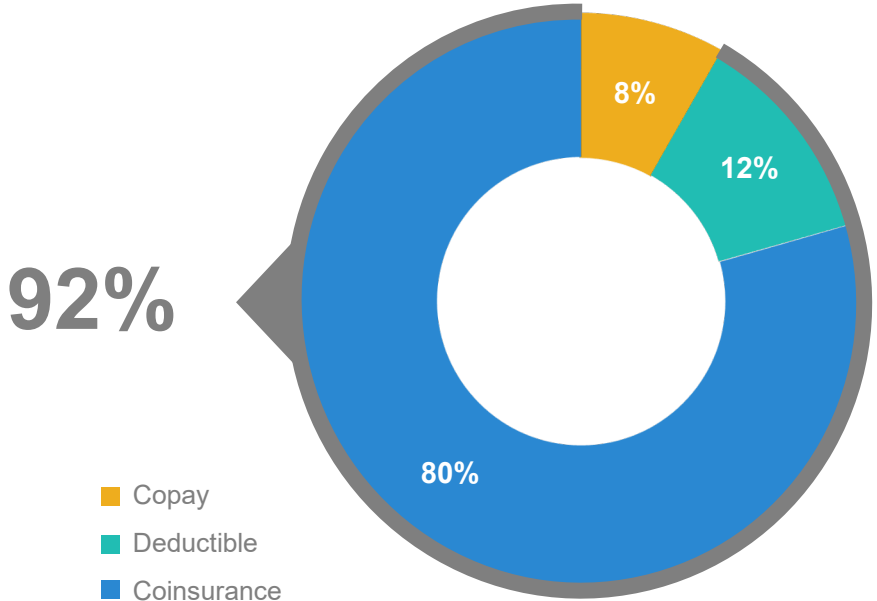
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The majority of Medicare Part D patient out-of-pocket spending on brand medicines is due to coinsurance.

Patients with deductibles or coinsurance typically pay cost sharing based on the full, undiscounted price of the medicine, which does not account for any discounts or rebates negotiated by their health plan.

92% of beneficiary out-of-pocket spending on brand medicine is based on the undiscounted list price.

9 in 10 beneficiaries taking brand medicine are exposed to the full price through deductibles or coinsurance.

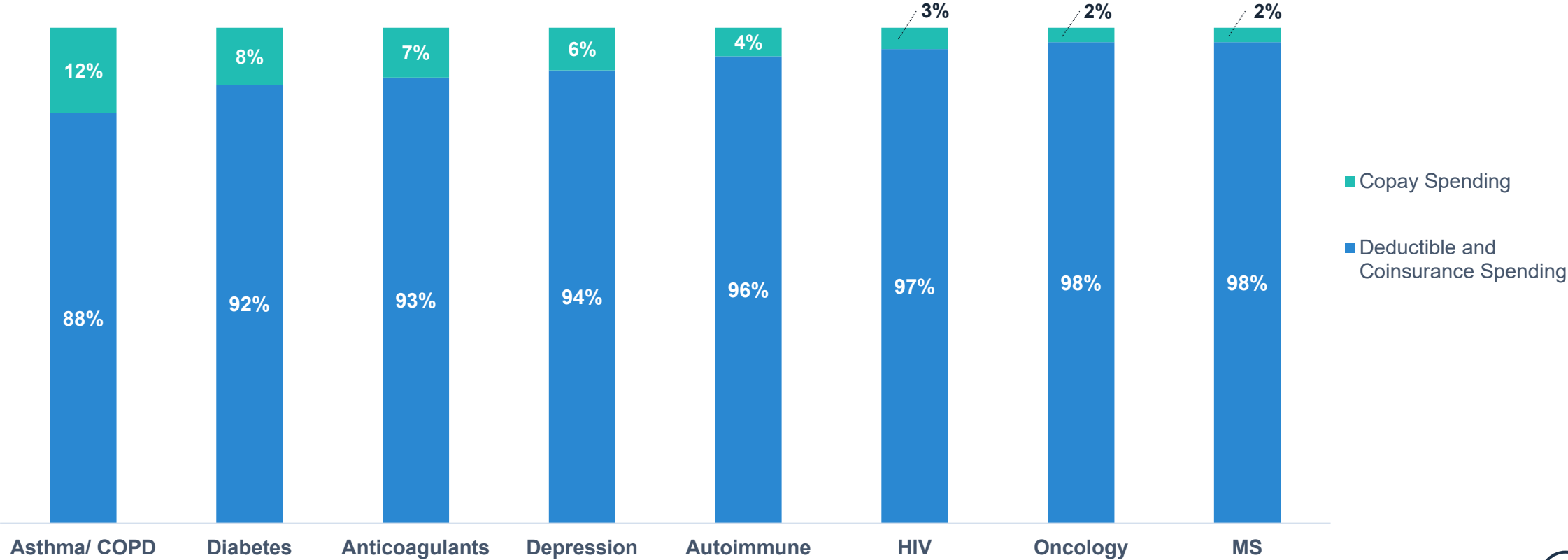


Notes: Data reflects spending in 2019. Includes all brand products, population includes Medicare Part D non-LIS beneficiaries. Source: IQVIA LAAD dataset (2015 – 2019); US Market Access Strategy Consulting analysis, December 2020.

For many chronic conditions, the majority of patient out-of-pocket spending for brand medicines is due to deductibles and coinsurance.

Health plans negotiate significant discounts and rebates on many brand medicines, but patients with deductibles and coinsurance must typically pay cost sharing based on the medicine's full, undiscounted price.

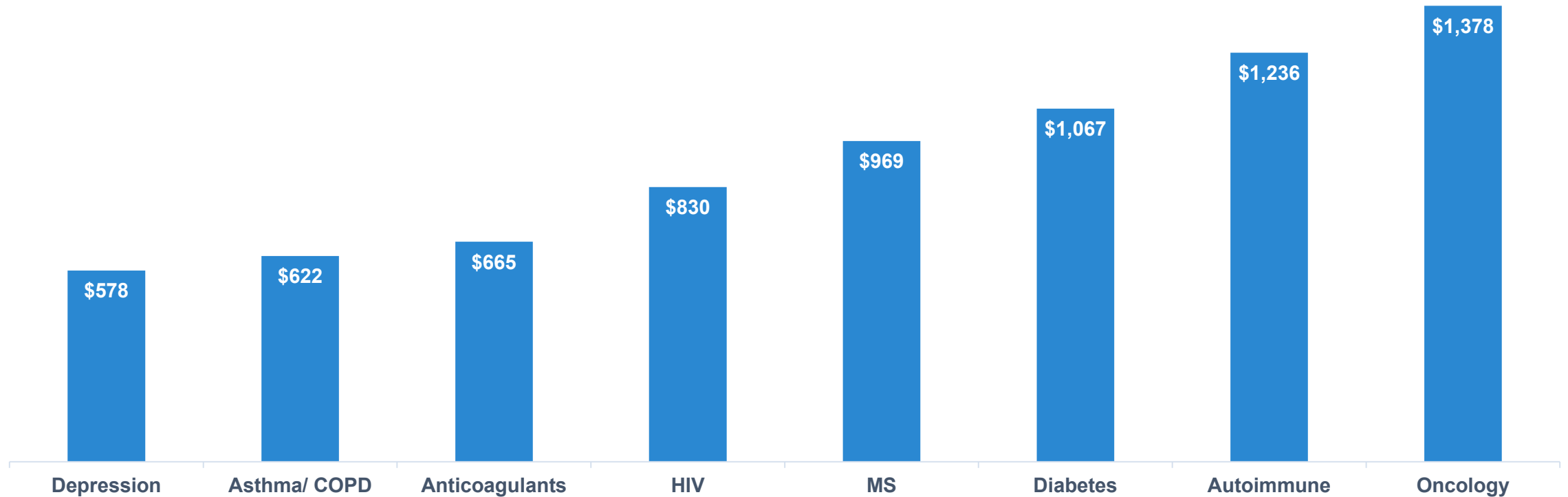
Share of Final Out-of-Pocket Spending on Brand Medicines by Type of Cost Sharing, 2019



Notes: Includes out-of-pocket spending among Medicare Part D non-LIS beneficiaries for condition-specific brand medicines only. Source: IQVIA LAAD dataset (2015 – 2019); US Market Access Strategy Consulting analysis, December 2020.

Medicare Part D beneficiaries are required to pay a significant amount out-of-pocket costs each year to access their medicines.

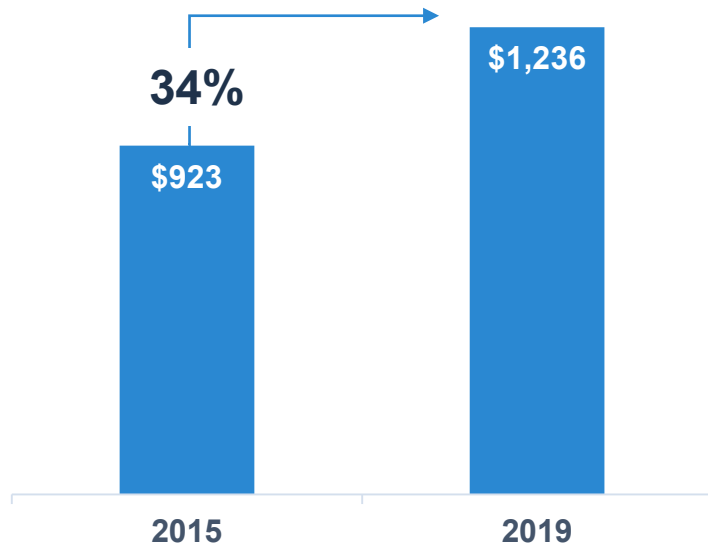
Final Annual Average Out-of-Pocket Costs for Patients Taking Condition-Specific Brand Medicines, 2019



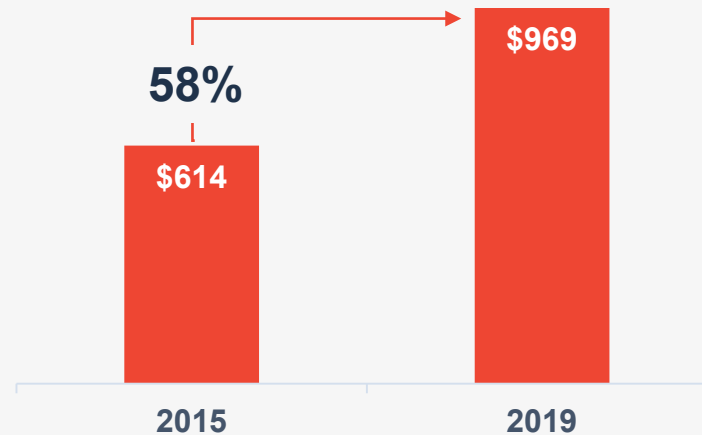
Across many chronic conditions, the amount patients pay out-of-pocket for brand medicines continues to increase significantly.

Final Annual Average Out-of-Pocket Costs for Patients Taking Condition-Specific Brand Medicines

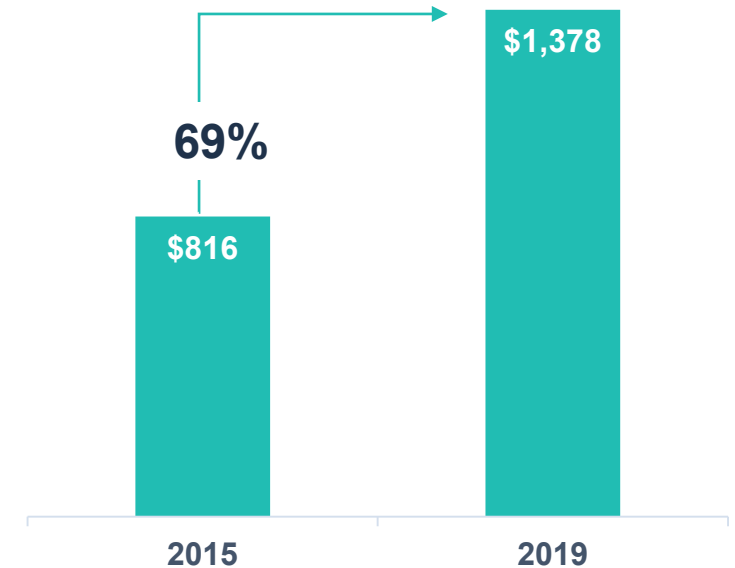
Autoimmune



MS

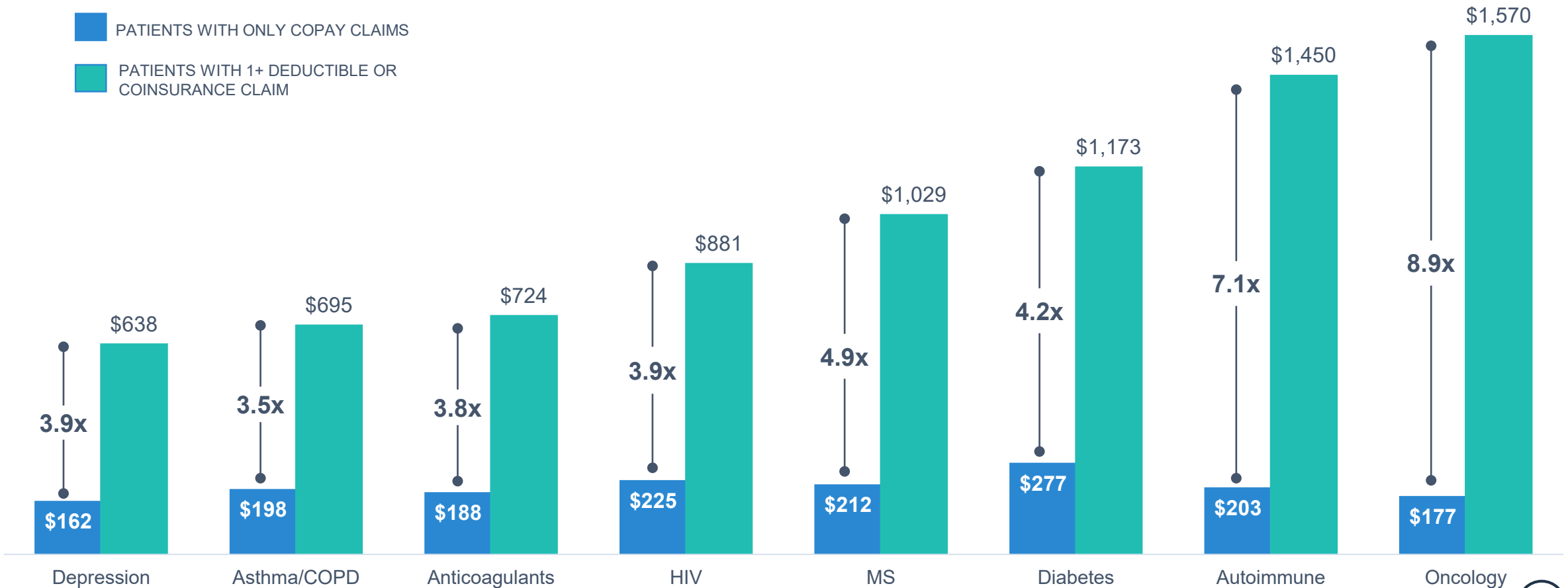


Oncology



Coinsurance exposes Medicare Part D patients taking brand medicines to high out-of-pocket spending.

Final Annual Out-of-Pocket Spending for Patients Taking Brand Condition-Specific Medicines by Benefit Design, 2019



Notes: Includes out-of-pocket spending among Medicare Part D non-LIS beneficiaries for condition-specific brand medicines only. Source: IQVIA LAAD dataset (2015 – 2019); US Market Access Strategy Consulting analysis, December 2020.

Out-of-pocket spending for patients exposed to the full list price is higher and has grown faster than for patients with copay cost sharing only.

Final Annual Out-of-Pocket Spending Among Part D Patients Taking Brand Condition-Specific Medicines

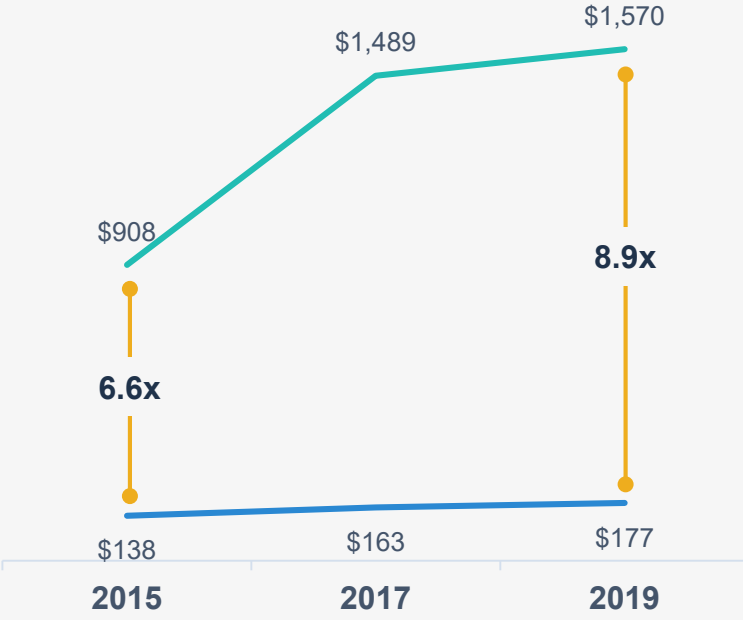
■ PATIENTS WITH 1+ COINSURANCE OR DEDUCTIBLE CLAIM

■ PATIENTS WITH ONLY COPAY CLAIMS

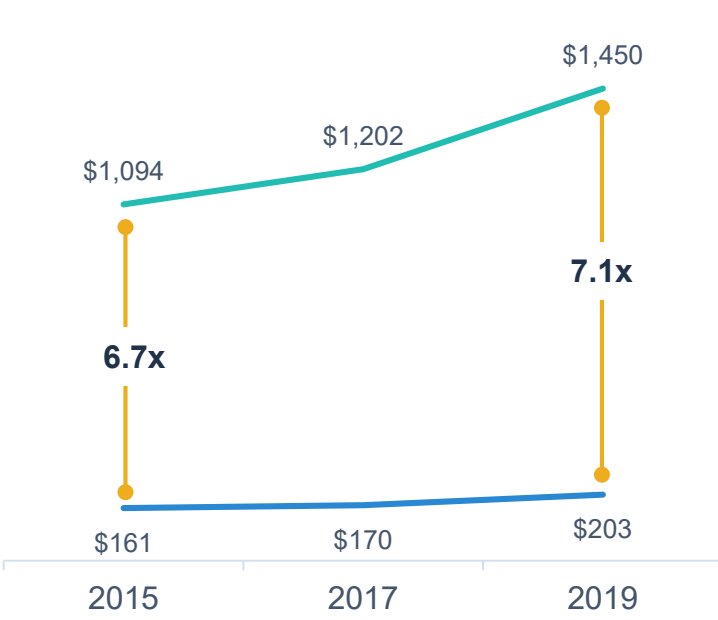
Anticoagulants



Oncology



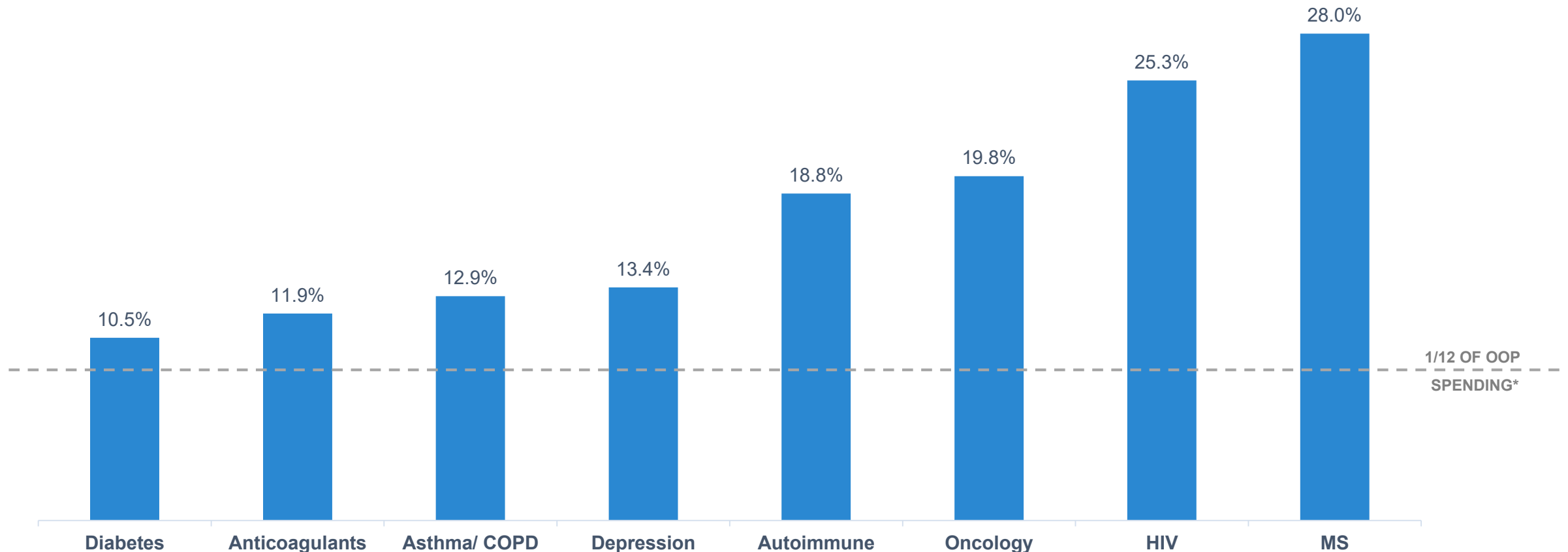
Autoimmune



Notes: Includes out-of-pocket spending among Medicare Part D non-LIS beneficiaries for condition-specific brand medicines only. Source: IQVIA LAAD dataset (2015 – 2019); US Market Access Strategy Consulting analysis, December 2020.

Policy reforms that more evenly distribute costs across the calendar year could mitigate patient affordability challenges at the start of the year.

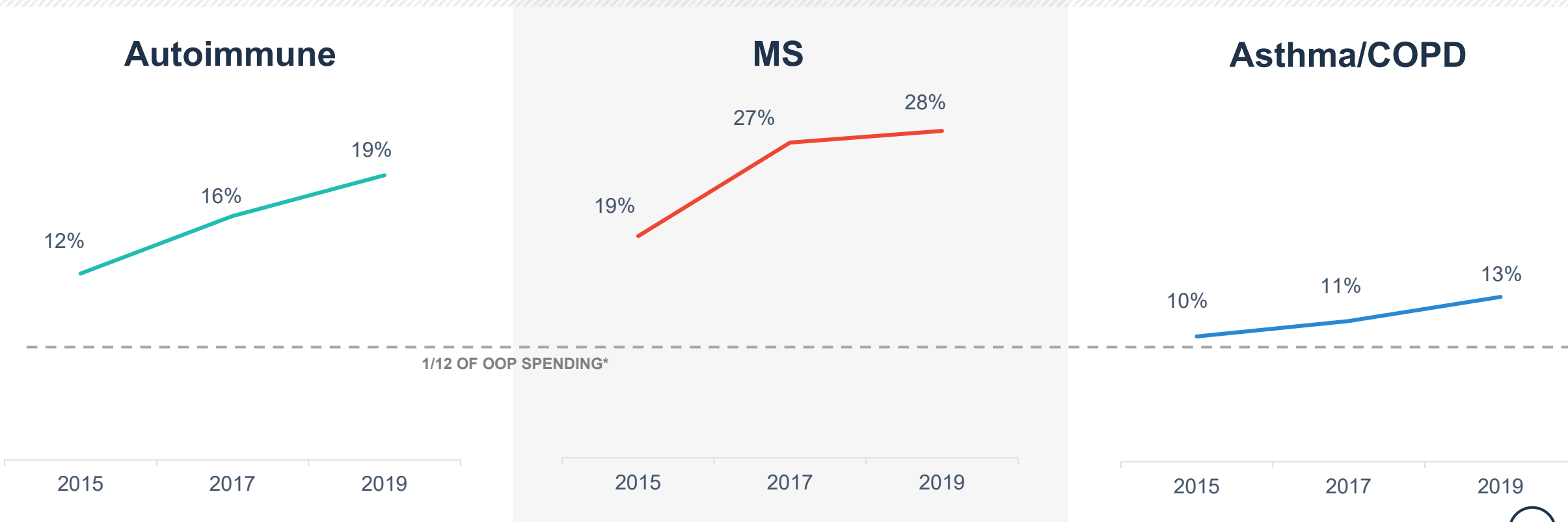
Share of Total Annual Final Out-of-Pocket Costs Spent in January Among Patients Taking Brand Condition-Specific Medicines, 2019



* Represents percent of spending if total out-of-pocket spending was evenly spread out over 12 months. Notes: Includes out-of-pocket spending among Medicare Part D non-LIS beneficiaries for condition-specific brand medicines only. Source: IQVIA LAAD dataset (2015 – 2019); US Market Access Strategy Consulting analysis, December 2020.

Patients are responsible for a disproportionate amount of their annual out-of-pocket costs at the start of the year due to deductibles and coinsurance.

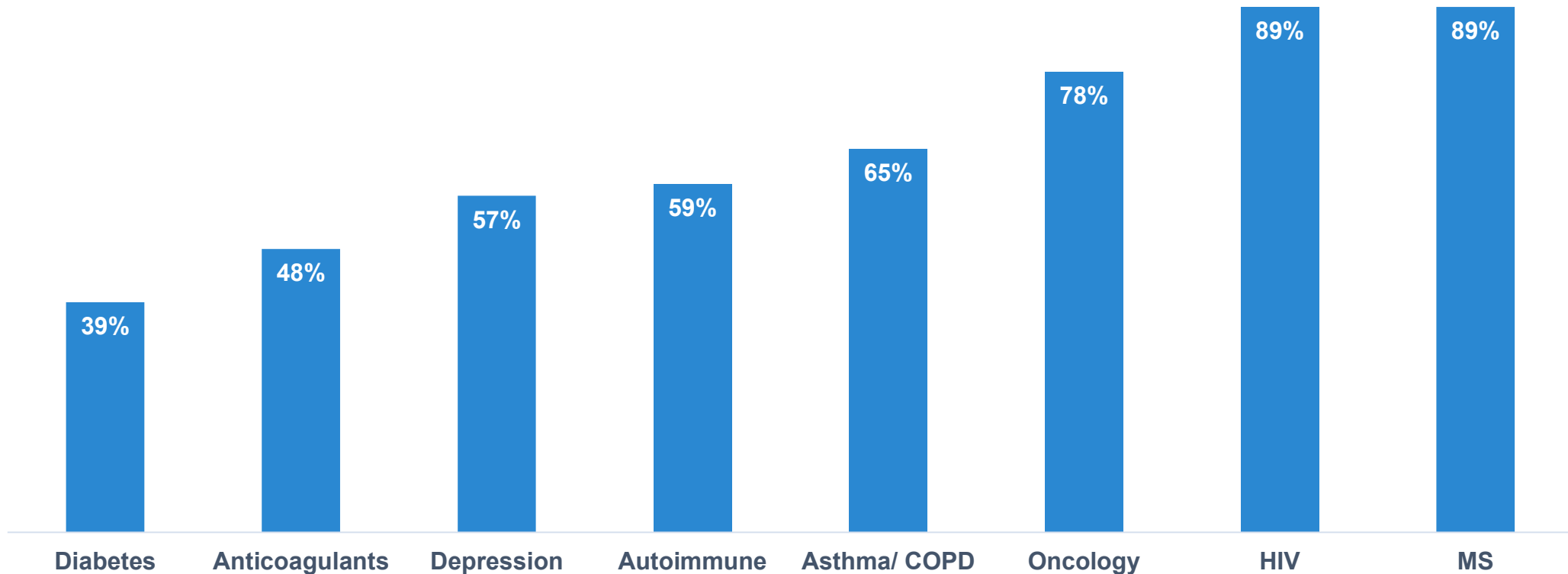
Share of Total Annual Final Out-of-Pocket Costs Spent in January Among Patients Taking Brand Condition-Specific Medicines



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Health plans require cost sharing in excess of \$125 per prescription for many brand medicines used to treat chronic illnesses.

Share of Patients Taking Brand Medicines Who Were Exposed to One or More High Cost Claims, 2019



Methodology

IQVIA conducted an analysis of Medicare Part D claims data from 2015 to 2019 across all brand medicines and several therapeutic areas of interest.

- Patient-level analyses (total OOP per year, etc.) are limited to paid claims to accurately illustrate full-year exposure
 - Patient pay proportion of more than 50% of the claim was deemed deductible
 - Patient pay proportion between 5% and 50% of the claim was deemed coinsurance
 - Patient pay of less than \$75 and less than 5% or rounded increments to \$5 below \$75 were deemed copay
- Claim-level analyses are limited to paid claims only for both primary cost exposure and final out-of-pocket spending
- All relevant brand products are included for claim-level analyses for each therapeutic area
- Claims were included in the analysis if they were linked to a standard eligible Part D patient
 - Included non-Low Income Subsidy (non-LIS) Part D Fee-for-Service (FFS) and Medicare Advantage (MA) beneficiaries
 - Excluded Employer Group Waiver Plans (EGWPs) and LIS patients

US Market Access Strategy Consulting analysis

