



**State of Utah**

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# **2021 Pharmacy Premium Impact Report**

The *2021 Utah Pharmacy Premium Impact Report* was prepared by Jeffrey E. Hawley, Ph.D. and Heather Sandberg, B.S. of the Health & Life Insurance Division for the Utah Insurance Commissioner pursuant to Utah Code § 31A-48-103(2). Publication date: December 1, 2021.

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## Overview

Utah Code § 31A-48-103(2) requires a health insurer to submit pharmacy drug information to the Utah Insurance Department (Department) on or before August 1st each year. The Department is to publish this information on the Department's website by December 1st each year and in a manner that protects the identity of a health insurer.

A health insurer shall report to the Department in aggregate the following information for health benefit plans offered by the insurer:

- 1) For the 25 drugs for which spending by the health insurer was the greatest, after adjusting for rebates: the name of the drug, the dosage form of the drug, and the strength of the drug.
- 2) The percentage increase over the previous year in net spending for all drugs, after adjusting for rebates.
- 3) The percentage of the increase in premiums over the previous year attributable to all drugs and specialty drugs.

Data was collected from health insurers that were issuing comprehensive health insurance health benefit plans in Utah during 2020. These companies represent over 97 percent of the comprehensive health insurance market. Health insurers that were not actively issuing comprehensive health insurance health benefit plans in Utah were excluded. These health insurers provide coverage for approximately 21 percent of Utah residents and represent fully insured comprehensive health benefit plans only. The data does not include any information from employer sponsored health benefit plans or government sponsored health benefit plans.

The data was aggregated to produce market level estimates of the Top 25 drugs with the largest spending by health insurers, after adjusting for rebates, in the comprehensive health insurance market. Premium impact was measured by estimating the percentage of comprehensive health insurance premium attributable to pharmacy drug costs for the Top 25 drugs, Generic drugs, Brand name drugs, Specialty drugs, and All drugs.

**Generic drugs.** A generic drug as classified by the United States Food and Drug Administration (FDA). A generic drug is therapeutically equivalent as a brand name drug in dosage, safety, strength, how it is taken, quality, performance, and intended use. A generic drug is not under patent protection and may be produced by more than one pharmacy drug manufacturer.

**Brand name drugs.** A brand name drug as classified by the United States Food and Drug Administration (FDA). A brand name drug is a drug marketed under a proprietary, trademark-protected name. The drug has patent protection and usually produced by only one pharmacy drug manufacturer until the patent protection has expired.

**Specialty drugs.** A Generic or Brand name drug classified as a Specialty drug on the health insurer's drug formulary list. Specialty drugs are prescription drug products that require special handling, have high costs, or are only available through specialty pharmacies.

**Total (All drugs).** Total (All drugs) includes all Generic, Brand name and Specialty drugs as reported by the health insurer.

**Top 25 drugs.** The Top 25 drugs described in this report are a subset of All drugs and may include Generic, Brand name, or Specialty drugs. Each health insurer was asked to report the top 25 drugs with the largest insurer spending, after adjusting for rebates, by National Drug Code (NDC). This information was combined to generate the Top 25 drugs with the largest insurer spending for the comprehensive health insurance market.

**Cost PMPM.** Pharmacy drug spending was measured by Cost PMPM. Cost PMPM is the total pharmacy drug spending by the health insurer, after adjusting for rebates, divided by cumulative member months. A member month is the total number of members covered by the health insurer's health benefit plan for a single month. Cumulative member months is the sum total of member months for the calendar year. This method standardizes pharmacy drug costs per member per month for a health insurer.

**Premium.** Premium income was measured using the same method as Cost PMPM. The total direct earned premium reported by the health insurer was divided by the total cumulative member months. Direct earned premium is the premium income received by the health insurer from all sources (after risk adjustment) that was allocated to the health insurer's loss experience, expenses, and profit during the year.

The report is divided into three sections: the Top 25 drugs with the largest health insurer spending in Utah's comprehensive health insurance market (see Tables 1 and 2), the estimated annual percent increase in pharmacy drug spending (see Table 3), and the estimated annual percent increase in premiums attributable to pharmacy drug spending (see Table 4).

## **Top 25 Drugs in the Comprehensive Health Insurance Market**

The Top 25 drugs are the 25 drugs with the largest health insurer spending in the comprehensive health insurance market. Drugs were ranked by the total dollar amount of drug spending by health insurers for the entire market as a whole. Drugs are listed by proprietary name and includes the 11-digit NDC for the dosage and package form of the drug. Cost PMPM and the percentage of premium attributable to each drug was calculated (see Table 1). The proprietary name of the drug and its manufacturer is provided in Table 2 (see Table 2).

**Table 1. Top 25 Drugs in the Comprehensive Health Insurance Market by Health Insurer Pharmacy Drug Spending**

Rank	Proprietary Name	Drug Type	11-Digit NDC(s)	Dosage Form	Strength	Cost PMPM	Percent of Premium
1	Humira	S	00074012403	injection	80 mg/0.8 mL	\$6.36	1.7%
		S	00074024302	injection	40 mg/0.4 mL		
		S	00074055402	injection	40 mg/0.4 mL		
		S	00074254003	injection	80 mg/0.8 mL		
		S	00074379902	injection	40 mg/0.8 mL		
		S	00074433902	injection	40 mg/0.8 mL		
		S	00074433906	injection	40 mg/0.8 mL		
2	Enbrel	S	58406002104	injection	50 mg/mL	\$2.70	0.7%
		S	58406003204	injection	50 mg/mL		
		S	58406042534	injection	25 mg/mL		
3	Trikafta <sup>a</sup>	S	51167033101	tablet	100 mg-50 mg-75 mg-150 mg	\$2.12	0.6%
4	Tysabri	S	64406000801	injection	300 mg/15 mL	\$1.78	0.5%
5	Tecfidera	S	64406000602	capsule	240 mg	\$1.50	0.4%
6	Stelara	S	57894006003	injection	45 mg/0.5 mL	\$1.39	0.4%
		S	57894006103	injection	90 mg/mL		
7	Xyrem	S	68727010001	solution	0.5 g/mL	\$1.09	0.3%
8	Entyvio	S	64764030020	injection	300 mg	\$0.97	0.3%
9	Ocrevus	S	50242015001	injection	300 mg/10 mL	\$0.85	0.2%
10	Dupixent	S	00024591401	injection	300 mg/2 mL	\$0.75	0.2%
11	Trulicity	B/S	00002143380	injection	0.75 mg/0.5 mL	\$0.74	0.2%
		B	00002143480	injection	1.5 mg/0.5 mL		
12	Prevnar 13	S	00005197102	injection	0.5 mL	\$0.68	0.2%
		S	00005197101	injection	0.5 mL		
13	Descovy <sup>b</sup>	B/S	61958200201	tablet	200 mg-25 mg	\$0.61	0.2%
14	Consentyx	S	00078063941	injection	150 mg/mL	\$0.59	0.2%
		S	00078063968	injection	150 mg/mL		
		S	00078063998	injection	150 mg/mL		
15	Skyrizi	S	00074204202	injection	75 mg/0.83 mL	\$0.57	0.1%
16	Keytruda	S	00006302602	injection	100 mg/4 mL	\$0.51	0.1%

17	Pulmozyme	B/S	50242010040	inhalant	2.5 mg/2.5 mL	\$0.50	0.1%
18	Cimzia	S	50474071079	injection	200 mg/mL	\$0.42	0.1%
19	Soliris	S	25682000101	injection	10 mg/mL	\$0.38	0.1%
20	Biktarvy <sup>c</sup>	B/S	61958250101	tablet	50 mg-200 mg-25 mg	\$0.37	0.1%
21	Mirena	S	50419042301	device	52 mg	\$0.37	0.1%
22	Eliquis	B	00003089321	tablet	2.5 mg	\$0.34	< 0.1%
		B	00003089421	tablet	5 mg		
23	Lumizyme	B/S	58468016001	injection	5 mg/mL	\$0.23	< 0.1%
24	Remicade	S	57894003001	injection	100 mg/10 mL	\$0.23	< 0.1%
25	Triumeq <sup>d</sup>	B/S	49702023113	tablet	600 mg-50 mg-300 mg	\$0.20	< 0.1%
<b>Total</b>						<b>\$26.22</b>	<b>6.8%</b>

Source: Utah Insurance Department

Note: B = Brand name, G = Generic, S = Specialty. Totals may not add up exactly due to rounding. All data is current as of Dec. 31, 2020.

<sup>a</sup> Trikafta: 4-wallets (each containing 14 tablets of elexacaftor, tezacaftor, and ivacaftor and 7 tablets of ivacaftor)

<sup>b</sup> Descovy: contains emtricitabine and tenofovir alafenamide

<sup>c</sup> Biktarvy: contains bictegravir sodium, emtricitabine, and tenofovir alafenamide fumarate

<sup>d</sup> Triumeq: contains abacavir sulfate, dolutegravir sodium, and lamivudine

**Table 2. Top 25 Drugs in the Comprehensive Health Insurance Market by Drug Manufacturer**

Rank	Proprietary Name	Nonproprietary Name	Labeler Code	Company Name
1	Humira	adalimumab	0074	AbbVie Inc.
2	Enbrel	etanercept	58406	Immunex Corporation
3	Trikafta	elexacaftor, tezacaftor, and ivacaftor	51167	Vertex Pharmaceuticals Incorporated
4	Tysabri	natalizumab	64406	Biogen Inc.
5	Tecfidera	dimethyl fumarate	64406	Biogen Inc.
6	Stelara	ustekinumab	57894	Janssen Biotech, Inc.
7	Xyrem	sodium oxybate	68727	Jazz Pharmaceuticals, Inc.
8	Entyvio	vedolizumab	64764	Takeda Pharmaceuticals America, Inc.
9	Ocrevus	ocrelizumab	50242	Genentech, Inc.
10	Dupixent	dupilumab	0024	Sanofi-Aventis U.S. LLC
11	Trulicity	dulaglutide	0002	Eli Lilly and Company
12	Pevnar 13	pneumococcal 13-valent conjugate vaccine	0005	Wyeth Pharmaceutical Division of Wyeth Holdings LLC
13	Descovy	emtricitabine and tenofovir alafenamide	61958	Gilead Sciences, Inc.
14	Cosentyx	secukinumab	0078	Novartis Pharmaceuticals Corporation
15	Skyrizi	risankizumab-rzaa	0074	AbbVie Inc.
16	Keytruda	pembrolizumab	0006	Merck Sharp & Dohme Corp.
17	Pulmozyme	dornase alfa	50242	Genentech, Inc.
18	Cimzia	certolizumab pegol	50474	UCB, Inc.
19	Soliris	eculizumab	25682	Alexion Pharmaceuticals Inc.
20	Biktarvy	bictegravir sodium, emtricitabine, and tenofovir alafenamide fumarate	61958	Gilead Sciences, Inc.
21	Mirena	levonorgestrel	50419	Bayer HealthCare Pharmaceuticals Inc.
22	Eliquis	apixaban	0003	E.R. Squibb & Sons, L.L.C.
23	Lumizyme	alglucosidase alfa	58468	Genzyme Corporation
24	Remicade	infliximab	57894	Janssen Biotech, Inc.
25	Triumeq	abacavir sulfate, dolutegravir sodium, and lamivudine	49702	ViiV Healthcare Company

Source: Utah Insurance Department

The Top 25 drugs accounted for 29.7 percent of total drug spending for All drugs and were attributable to 6.8 percent of comprehensive health insurance premium. The top 5 drugs that accounted for the largest percentage of comprehensive health insurance premium were Humira, Enbrel, Trikafta, Tysabri, and Tecfidera. These drugs accounted for 55.1 percent of the

total drug spending for the Top 25 drugs, and accounted for 16.4 percent of the total drug spending for All drugs and were attributable to 3.8 percent of comprehensive health insurance premium. The Top 25 drugs in most cases were classified as Specialty drugs. Only seven were classified as Brand name drugs by at least one health insurer. None of the Top 25 drugs were Generic drugs.

## Pharmacy Drug Spending

In addition to reporting the Top 25 drugs by total drug spending, health insurers also reported the total drug spending for Generic drugs, Brand name drugs, Specialty drugs, and All drugs. Drug spending was measured by the amount paid by the health insurer for each drug type category.

Generic drugs accounted for 13.3 percent of total drug spending for All drugs. Brand name drugs accounted for 21.1 percent of total drug spending for All drugs. Specialty drugs accounted for 65.6 percent of total drug spending for All drugs.

Total drug spending for All drugs increased by 10.4 percent from 2019 to 2020. Generic drug spending increased by 4.7 percent. Brand name drug spending decreased by 3.4 percent. Specialty drug spending increased by 17.1 percent (see Table 3).

The increase in total drug spending for All drugs was primarily driven by the increases in Specialty drug spending. The effect of the COVID-19 pandemic on the health care system during 2020 is still being evaluated. Preliminary research suggests that the impact of COVID-19 on total health care spending and health insurance premiums was largely neutral. Utah’s comprehensive health insurers did not report a significant increase in total health care spending. This may be due to a decline in elective health care spending and implementing social distancing practices to preserve hospital capacity during the COVID-19 pandemic which may have offset the increases in COVID-19 related spending. Comprehensive health insurance premium also did not change significantly during this period.

**Table 3. Health Insurer Pharmacy Drug Spending as a Percent of Pharmacy Drug Costs**

Drug Type	Cost PMPM	Percent of Drug Spending	Percent Change in Cost PMPM
Generic	\$11.70	13.3%	4.7%
Brand	\$18.66	21.1%	-3.4%
Specialty	\$57.90	65.6%	17.1%
Total (All Drugs)	\$88.26	100.0%	10.4%

Source: Utah Insurance Department

Note: Percent change is the annual percent change from the previous year. All data is current as of Dec. 31, 2020.



## Premium Attributable to Pharmacy Drug Spending

Total drug spending for All drugs increased by 10.4 percent from 2019 to 2020. Specialty drugs accounted for the largest amount of drug spending, accounting for 65.6 percent of All drugs. During 2020, the percent of comprehensive health insurance premium attributable to total drug spending for All drugs was 23.0 percent and for Specialty drugs was 15.1 percent (see Table 4).

**Table 4. Percent of Premium Attributable to Health Insurer Pharmacy Drug Spending**

Drug Type	Cost PMPM	Percent Change in Cost PMPM	Percent of Premium	Net Change in Percent of Premium
Generic	\$11.70	4.7%	3.0%	0.1%
Brand	\$18.66	-3.4%	4.9%	-0.1%
Specialty	\$57.90	17.1%	15.1%	2.3%
Total (All Drugs)	\$88.26	10.4%	23.0%	2.3%
Premium	\$384.33	-0.4%	100.0%	-

Source: Utah Insurance Department

Note: Percent change is the annual percent change from the previous year. Net change is the difference in the percent of premium from the previous year. All data is current as of Dec. 31, 2020.

Based on the available data, the Department estimates that the percentage of comprehensive health insurance premium attributable to total drug spending for All drugs increased by 2.3 percent from 2019 to 2020. The increase in pharmacy drug spending appears to be due to increased spending for Specialty drugs. The percentage of comprehensive health insurance premium attributable to Specialty drug spending increased by 2.3 percent from 2019 to 2020. The percentage of comprehensive health insurance premium attributable to Generic and Brand name drug spending remained stable (see Table 4).

## Summary

The Top 25 drugs accounted for 29.7 percent of total drug spending for All drugs and were attributable to 6.8 percent of premium. The top 5 drugs that accounted for the largest percentage of premium were Humira, Enbrel, Trikafta, Tysabri, and Tecfidera. These drugs accounted for 55.1 percent of the drug spending for the Top 25 drugs, and accounted for 16.4 percent of total drug spending for All drugs and were attributable to 3.8 percent of premium.

Total drug spending for All drugs increased by 10.4 percent from 2019 to 2020. This increase was driven primarily by increases in spending for Specialty drugs. Premiums did not change significantly from 2019 to 2020. The percentage of premium attributable to All drugs increased by 2.3 percent. This increase was driven primarily by Specialty drugs. The percentage of premium attributable to Specialty drugs increased by 2.3 percent.