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2023 Utah Pharmacy Premium Impact Report

The *2023 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: January 8, 2024.

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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 2022. These companies represent over 98 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 over 22 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 is 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	00074012402	injection	80 mg/0.8 mL	\$6.52	1.6%
		S	00074024302	injection	40 mg/0.4 mL		
		S	00074055402	injection	40 mg/0.4 mL		
		S	00074379902	injection	40 mg/0.8 mL		
		S	00074433902	injection	40 mg/0.8 mL		
2	Trikafta ^a	S	51167010602	tablet	50 mg-25 mg-37.5 mg-75 mg	\$3.12	0.8%
		B/S	51167033101	tablet	100 mg-50 mg-75 mg-150 mg		
3	Enbrel	S	58406002104	injection	50 mg/mL	\$2.35	0.6%
		S	58406003204	injection	50 mg/mL		
		S	58406004404	injection	50 mg/mL		
4	Stelara	S	57894005427	injection	130 mg/26 mL	\$2.23	0.6%
		S	57894006002	injection	45 mg/0.5 mL		
		S	57894006103	injection	90 mg/mL		
5	Ocrevus	B/S	50242015001	injection	300 mg/10 mL	\$1.80	0.4%
6	Tysabri	B/S	64406000801	injection	300 mg/15 mL	\$1.77	0.4%
7	Dupixent	B/S	00024591401	injection	300 mg/2 mL	\$1.44	0.4%
		B/S	00024591502	injection	300 mg/2 mL		
8	Entyvio	B/S	64764030020	injection	300 mg	\$1.37	0.3%
9	Biktarvy ^b	B/S	61958250101	tablet	50 mg-200 mg-25 mg	\$1.12	0.3%
10	Skyrizi	S	00074105001	injection	150 mg/mL	\$0.95	0.2%
		S	00074210001	injection	150 mg/mL		
11	Rinvoq	S	00074230630	tablet	15 mg	\$0.86	0.2%
12	Xywav ^c	B/S	68727015001	solution	0.5 g/mL	\$0.74	0.2%
13	Consentyx	S	00078063941	injection	150 mg/mL	\$0.66	0.2%
14	Xyrem	B/S	68727010001	solution	0.5 g/mL	\$0.63	0.2%
15	Keytruda	S	00006302602	injection	100 mg/4 mL	\$0.60	0.1%
		B/S	00006302604	injection	100 mg/4 mL		
16	Coagadex	S	64208775301	injection	500 IU Range	\$0.60	0.1%
17	Eliquis	B	00003089421	tablet	5 mg	\$0.59	0.1%

18	Trulicity	B	00002143380	injection	0.75 mg/0.5 mL	\$0.54	0.1%
		B	00002143401	injection	1.5 mg/0.5 mL		
		B	00002143480	injection	1.5 mg/0.5 mL		
		B	00002223680	injection	3 mg/0.5 mL		
		B	50090348300	injection	1.5 mg/0.5 mL		
19	Opdivo	B/S	00003373413	injection	240 mg/24 mL	\$0.50	0.1%
20	Xolair PFS	S	50242021501	injection	150 mg/mL	\$0.44	0.1%
21	Spravato	S	50458002803	solution	84 mg	\$0.44	0.1%
22	Ozempic	B	00169413013	injection	4 mg/3 mL	\$0.27	0.1%
		B	00169413212	injection	2 mg/1.5 mL		
23	Descovy ^d	B/S	61958200201	tablet	200 mg/25 mg	\$0.25	0.1%
24	Lumizyme	B/S	58468016001	injection	50 mg	\$0.23	0.1%
25	Hemlibra	S	50242092101	injection	60 mg/0.4 mL	\$0.20	< 0.1%
		S	50242092201	injection	105 mg/0.7 mL		
		S	50242092301	injection	150 mg/mL		
Total						\$30.22	7.5%

Source: Utah Insurance Department

Note: B = Brand name, G = Generic, S = Specialty. Estimates may not add up exactly due to rounding. All data is current as of Dec. 31, 2022.

^a Trikafta: 4-wallets (each containing 14 tablets of elexacaftor, tezacaftor, and ivacaftor and 7 tablets of ivacaftor)

^b Biktarvy: contains bictegravir sodium, emtricitabine, and tenofovir alafenamide fumarate

^c Xywav: contains calcium, magnesium, potassium, and sodium oxybates

^d Descovy: contains emtricitabine and tenofovir alafenamide

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	Trikafta	elexacaftor, tezacaftor, and ivacaftor	51167	Vertex Pharmaceuticals Incorporated
3	Enbrel	etanercept	58406	Immunex Corporation
4	Stelara	ustekinumab	57894	Janssen Biotech, Inc.
5	Ocrevus	ocrelizumab	50242	Genentech, Inc.
6	Tysabri	natalizumab	64406	Biogen Inc.
7	Dupixent	dupilumab	0024	Sanofi-Aventis U.S. LLC
8	Entyvio	vedolizumab	64764	Takeda Pharmaceuticals America, Inc.
9	Biktarvy	bictegravir sodium, emtricitabine, and tenofovir alafenamide fumarate	61958	Gilead Sciences, Inc.
10	Skyrizi	risankizumab-rzaa	0074	AbbVie Inc.
11	Rinvoq	upadacitinib	0074	AbbVie Inc.
12	Xywav	calcium, magnesium, potassium, and sodium oxybates	68727	Jazz Pharmaceuticals, Inc.
13	Cosentyx	secukinumab	0078	Novartis Pharmaceuticals Corporation
14	Xyrem	sodium oxybate	68727	Jazz Pharmaceuticals, Inc.
15	Keytruda	pembrolizumab	0006	Merck Sharp & Dohme LLC
16	Coagadex	coagulation factor X human	64208	Bio Products Laboratory Limited
17	Eliquis	apixaban	0003	E.R. Squibb & Sons, L.L.C.
18	Trulicity	dulaglutide	0002	Eli Lilly and Company
19	Opdivo	nivolumab	0003	E.R. Squibb & Sons, L.L.C.
20	Xolair PFS	omalizumab	50242	Genentech, Inc.
21	Spravato	esketamine hydrochloride	50458	Janssen Pharmaceuticals Inc.
22	Ozempic	semaglutide	0169	Novo Nordisk
23	Descovy	emtricitabine and tenofovir alafenamide	61958	Gilead Sciences, Inc.
24	Lumizyme	alglucosidase alfa	58468	Genzyme Corporation
25	Hemlibra	emicizumab	50242	Genentech, Inc.

Source: Utah Insurance Department

The Top 25 drugs accounted for 32.6 percent of total drug spending for All drugs and were attributable to 7.5 percent of comprehensive health insurance premium. The top 5 drugs that accounted for the largest percentage of comprehensive health insurance premium were

Humira, Trikafta, Enbrel, Stelara, and Ocrevus. These drugs accounted for 53.0 percent of the total drug spending for the Top 25 drugs, and accounted for 17.3 percent of the total drug spending for All drugs and were attributable to 4.0 percent of comprehensive health insurance premium. In most cases, the Top 25 drugs were classified as Specialty drugs. However, fifteen drugs 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 14.3 percent of total drug spending for All drugs. Brand name drugs accounted for 23.0 percent of total drug spending for All drugs. Specialty drugs accounted for 62.7 percent of total drug spending for All drugs.

Total drug spending for All drugs increased by 4.3 percent from 2021 to 2022. Generic drug spending increased by 15.9 percent. Brand name drug spending increased by 42.4 percent. Specialty drug spending decreased by 6.9 percent (see Table 3).

The increase in total drug spending for All drugs was more than 4 percent during 2022. Drug spending increased for Generic drugs and Brand name drugs and decreased for Specialty drugs. Comprehensive health insurance premium also experienced an increase of approximately 4 percent 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	\$13.26	14.3%	15.9%
Brand	\$21.28	23.0%	42.4%
Specialty	\$58.13	62.7%	-6.9%
Total (All Drugs)	\$92.67	100.0%	4.3%

Source: Utah Insurance Department

Note: Percent change is the annual percent change from the previous year. Estimates may not add up exactly due to rounding. All data is current as of Dec. 31, 2022.

Premium Attributable to Pharmacy Drug Spending

Total drug spending for All drugs increased by 4.3 percent from 2021 to 2022. Specialty drugs accounted for the largest amount of drug spending, accounting for 62.7 percent of All drugs. During 2022, the percent of comprehensive health insurance premium attributable to total drug spending for All drugs was 23.0 percent and for Specialty drugs was 14.5 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	\$13.26	15.9%	3.3%	0.3%
Brand	\$21.28	42.4%	5.3%	1.4%
Specialty	\$58.13	-6.9%	14.5%	-1.7%
Total (All Drugs)	\$92.67	4.3%	23.0%	0.0%
Premium	\$402.17	4.0%	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. Estimates may not add up exactly due to rounding. All data is current as of Dec. 31, 2022.

Based on the available data, the Department estimates that the percentage of comprehensive health insurance premium attributable to total drug spending for All drugs remained stable from 2021 to 2022. The increase in total drug spending appears to be due to an increase in spending for Generic and Brand name drugs combined with a decline in spending for Specialty drugs. The percentage of comprehensive health insurance premium attributable to Generic drug spending increased by 0.3 percent and Brand name drug spending increased by 1.4 percent during 2022, while the percent of premium attributable to Specialty drug spending decreased by 1.7 percent, for a net change of about 0.0 percent (see Table 4).

Summary

The Top 25 drugs accounted for 32.6 percent of total drug spending for All drugs and were attributable to 7.5 percent of premium. The top 5 drugs that accounted for the largest percentage of premium were Humira, Trikafta, Enbrel, Stelara, and Ocrevus. These drugs accounted for 53.0 percent of the drug spending for the Top 25 drugs, and accounted for 17.3 percent of total drug spending for All drugs and were attributable to 4.0 percent of premium.

Total drug spending for All drugs increased by 4.3 percent from 2021 to 2022. This change was due to the increases in spending for Generic drugs and Brand name drugs and a decrease in spending for Specialty drugs. Premiums increased by 4.0 percent from 2021 to 2022. The percentage of premium attributable to All drugs remained basically unchanged with a net change of about 0.0 percent. The percentage of premium attributable to Specialty drugs declined by 1.7 percent.