



The High Costs of Brand-Name Drugs

The Issue

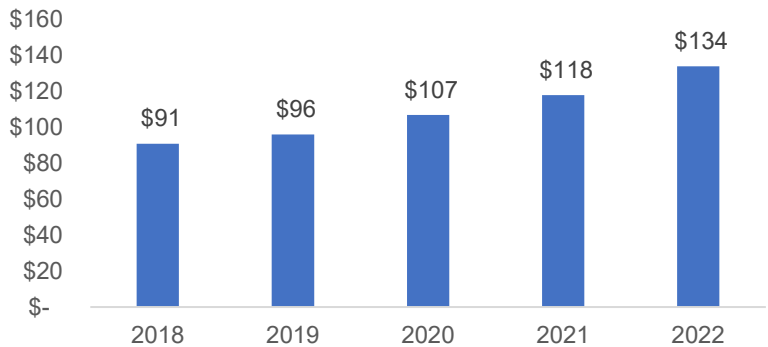
Spending on brand-name drugs has grown at an unaffordable rate in Rhode Island.

- From 2018 to 2022, spending for commercially insured residents on brand-name medications grew at an average annual rate of 10.2%.¹
- Meanwhile, median household income in the state grew at an average annual rate of only 3.3%.²

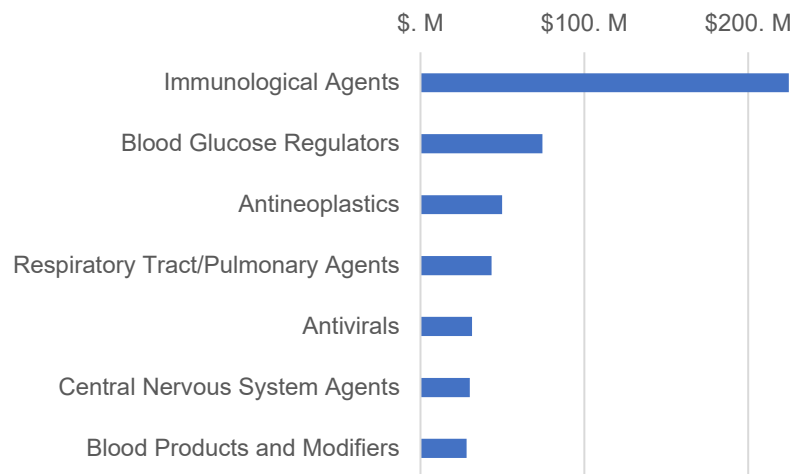
In 2022, most spending (nearly \$225M) on brand-name prescription drugs for residents with commercial coverage was on immunological agents.

- Immunological agents are drugs that modify the body's immune system response.
- The two immunological agents with the highest spend in 2022 were Humira (Cf) (\$54.3M) and Stelara (\$34.5M).³
- These drugs are used to treat arthritis, Crohn's disease, and psoriasis, among other conditions.

Per Member Per Month Spending on Brand-Name Prescription Drugs



Spending by Drug Category in Rhode Island in 2022



- In 2022, an annual supply of Humira cost **\$90,564** and an annual supply of Stelara cost **\$149,952**.^{4,5}
 - These drugs were prescribed frequently in 2022. More than 7,000 prescriptions for Humira and nearly 3,000 prescriptions for Stelara were dispensed to Rhode Islanders with commercial coverage.

	# of 30-Day Equivalents	Total Spend	PPU
Humira	7,193	\$54.3M	\$7,547
Stelara	2,760	\$34.5M	\$12,496

Why This Matters

Prescription drugs are becoming increasingly unaffordable for Rhode Islanders.

- In 2022, Rhode Islanders reported delaying filling a prescription due to cost at a higher rate than delaying medical or mental health care due to cost.⁶
- Large deductibles and high drug prices lead some patients to skip doses.⁷

Dollars spent on these brand-name prescription drugs could have been used for other purposes if prices were lower.

- For example, the cost of a year's supply of Stelara is approximately equal to **1,119 primary care visits**.⁸

Updates to the OHIC Data Hub Coming Soon

OHIC now has access to 2022 data in the state's All-Payer Claims Database ([HealthFacts RI](#)). OHIC will make these data available soon in the interactive dashboards available on the [OHIC Data Hub](#). OHIC plans to roll out new dashboards on additional topics in the coming weeks and months.

1. OHIC's analysis of data from HealthFacts RI, which is the state's All-Payer Claims Database (APCD). The spending in the APCD represents approximately 80% of commercial spending in the state due to the absence of data from some self-insured employers.
2. <https://fred.stlouisfed.org/series/MEHOINUSRIA672N>.
3. These drugs treat different types of arthritis.
4. These were calculated by OHIC using data from HealthFacts RI, and exclude manufacturer rebates. Rebate data are considered proprietary by manufacturers, making it impossible for OHIC to determine the actual price of individual drugs. Analysis of 2021 data submitted by Rhode Island insurers, the Rhode Island Executive Office of Health and Human Services, and by the Centers for Medicare and Medicaid Services found that pharmacy rebates equaled 25% of total commercial retail pharmacy spending.
5. Annual prices were calculated by multiplying the price of a 30-day supply by 12.
6. 2022 Health Insurance Survey. <https://healthsourceri.com/surveys-and-reports/>
7. <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>
8. Primary care visits were priced using the 2022 Medicare reimbursement for CPT code 99214: \$133.93.

Learn More about OHIC at www.ohic.ri.gov



STATE OF RHODE ISLAND

Office of The Health Insurance Commissioner

Department of Business Regulation

The Rhode Island Office of the Health Insurance Commissioner (OHIC) was established through legislation in 2004 to broaden the accountability of health insurers operating in Rhode Island. The Office is dedicated to: protecting consumers, encouraging fair treatment of medical service providers, ensuring solvency of health insurers, and improving the health care system's quality, accessibility, and affordability.