

Impact of Prescription Drug Costs on Health Insurance Premiums

California Department of Insurance Report for Calendar Year 2023 Experience

**Insurance Code section 10123.205(b)
Senate Bill 17 (Ch. 603, Stats. 2017)**



Ricardo Lara
Insurance Commissioner
January 2025

Table of Contents

I – Executive Summary

II – Analysis

III – Overview of the Filings

IV – Summary of the Filings

V – Glossary

I – Executive Summary

This report summarizes the findings of the California Department of Insurance (CDI) regarding prescription drug costs for commercial health insurance policies for the 2023 calendar year. California Insurance Code (CIC) section 10123.205¹ requires health insurers that file rate information to annually report specified data to CDI on costs associated with covered prescription drugs.² Based on this data, CDI must annually publish a report demonstrating the overall impact of drug costs on health insurance premiums.³ This is the seventh year that CDI has received, analyzed, and reported its findings on the relationship between drug spending and health insurance premiums.

Comparing the 2023 data to previous years reveals the following:

- 1) Generic drugs comprised 85% of all prescriptions, but only 13% of drug spending. Conversely, specialty drugs accounted for only 4% of all prescriptions, yet encompass 70% of drug spending. Brand name drugs accounted for 11% of all prescriptions and 17% of drug spending (Table 1).
- 2) Drug utilization, measured by the number of prescriptions, decreased by 11.4% in 2023 over 2022 (Table 2).
- 3) Total drug spending per member per month (PMPM), including costs paid by insurers and cost sharing paid by insured persons, increased over the past two years (Table 4, item 1).
- 4) Prescription drugs accounted for 15.8% of total health care premiums in 2023, once rebates are subtracted, up from 15.5% in 2022 (Table 5).⁴
- 5) Prescription drugs accounted for 18.1% of all medical costs in 2023, once rebates are subtracted, more than the 17.8% figure for 2022 (Table 5).⁵
- 6) Drug costs per prescription increased by 20.6% overall (Table 8). However, increased costs per prescription were not found across all drug categories: specialty drugs decreased by 13.4% in cost per prescription, while brand name drugs increased in cost per prescription by 22.6%. The COVID-19 vaccines have impacted the overall utilization and cost of brand name drugs.

In 2022, reporting insurers consistently included two COVID-19 vaccines, Pfizer and Moderna, in the top 25 most prescribed brand name drugs. At under \$40 per injection for vaccine administration, the cost of administering the vaccines was much lower than the typical cost for a brand name drug. In 2023, two COVID-19 vaccines, Comirnaty and Spikevax, were included in the top 25 most prescribed brand name drugs, but with much less utilization and higher costs than compared to 2022 due to the end of the government subsidy for the vaccines. Therefore, inclusion of the COVID-19 vaccine data decreased the overall utilization of brand

¹ Added by Senate Bill 17 (Hernandez, Ch. 603, Stats. 2017).

² CIC § 10123.205(a).

³ CIC § 10123.205(b).

⁴ Several health insurers updated their costs for 2022, resulting in a change in the 2022 figure.

⁵ Several health insurers updated their costs for 2022, resulting in a change in the 2022 figure.

name drugs in 2023 compared to 2022, while increasing the cost per prescription.

- 7) A portion of the increased drug costs per prescription for brand name drugs was offset by increased rebates in 2023 (Table 4).
- 8) Among the 25 most costly prescription drugs, while specialty drugs accounted for only 2.5% of all prescriptions, these drugs accounted for 42.1% of total spending on prescription drugs (Table 14).

II – Analysis

Filings: This report includes aggregated information that is based on submissions to CDI from health insurance companies and includes data from all fully-insured policies in the individual, small group, large group, and student market segments. Covered prescription drugs include all covered drugs dispensed by a network retail or mail order pharmacy for outpatient use in the following drug categories: generic, brand name, and specialty drugs. CDI-regulated insurers reported the 25 most frequently prescribed drugs, the 25 most costly drugs by total annual plan spending, and the 25 drugs with the highest year-over-year increase in total annual plan spending. This report aggregates the data provided across all insurers and does not reveal any insurer-specific information.⁶

Definitions: Definitions and sources of the terms used in this report can be found in the glossary, but the following terms are used frequently throughout the report.

Total Prescription Drug Spending (Annual Plan Spending): Total payments made under the policy for prescription drugs on behalf of covered members, including payments made by insurers and member cost sharing, but excluding manufacturer rebates. This is also known as the Allowed Dollar Amount.

Insurer Spending (Paid Plan Cost): Total payments made by insurers under the policy for prescription drugs and to health care providers on behalf of covered members. When this term only describes prescription drug costs, manufacturer rebates are excluded.

Member Cost Sharing: Total payments made by members under the policy for prescription drugs and to health care providers, including copays, deductibles, and coinsurance. Member Cost Sharing equals the Allowed Dollar Amount *minus* Insurer Spending.

Member Months: The total number of lives, including dependents, insured on a pre-specified day of each month of the reporting period.

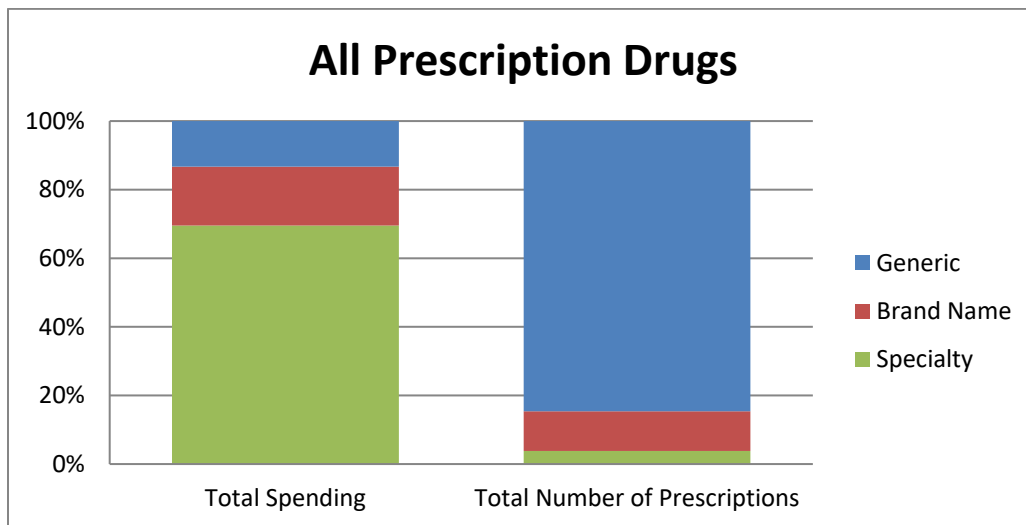
⁶ CIC § 10123.205(b).

Cost and Utilization for All Prescription Drugs: For the 2023 calendar experience year, Table 1 summarizes the following: the total annual prescription drug spending (insurer spending plus member cost sharing), the total insurer prescription drug spending (excluding member cost share), and the total number of prescriptions for all generic, brand name and specialty drugs.

All Prescription Drugs	Generic	Brand Name	Specialty	Total
Total Prescription Drug Spending (including member cost share) (\$ million)	\$165.9	\$215.1	\$869.5	\$1,250.5
Insurer Prescription Drug Spending (excluding member cost share) (\$ million)	\$116.7	\$194.5	\$845.2	\$1,156.4
Total Number of Prescriptions (thousand)	5,990	820	270	7,080

Table 1

Using the information from Table 1, the chart below illustrates how prescription drug spending and utilization differ by drug type: generic drugs comprise 85% of prescriptions and 13% of spending; brand name drugs comprise 11% of prescriptions and 17% of spending; and specialty drugs comprise 4% of prescriptions and 70% of spending.



Year-Over-Year Changes in Prescription Usage per Member for All Prescription Drugs: The number of prescriptions per member per year (PMPY) between 2022 and 2023 for all generic, brand name, and specialty drugs are compared and summarized in Table 2. There was a 31.4% decrease in the number of brand name drug prescriptions, which was mainly due to higher utilization of COVID-19 vaccines in 2022, and a 31.7% increase in the number of specialty drug prescriptions, partly due to higher utilization of Glucagon-like peptide-1 (GLP-1) medications in 2023.

All Prescription Drugs	2022 (PMPY)	2023 (PMPY)	2023/2022
Generic			
# Scripts	8.58	7.80	-9.1%
\$ Total Cost	\$198.62	\$215.97	8.7%
Brand Name			
# Scripts	1.56	1.07	-31.4%
\$ Total Cost	\$333.01	\$280.06	-15.9%
Specialty			
# Scripts	0.27	0.35	31.7%
\$ Total Cost	\$992.30	\$1,132.01	14.1%
Total			
# Scripts	10.40	9.22	-11.4%
\$ Total Cost	\$1,523.92	\$1,628.03	6.8%

Table 2

Costs in Relation to Premiums for All Prescription Drugs: For comprehensive medical plans that include pharmacy benefits in 2023, the total and per member per month (PMPM) paid prescription plan cost, paid medical plan cost (insurer cost for medical care, not including prescription drug costs), and health care premium are shown in Table 3:

Costs In Relation to Premium	Total Dollars (\$ million)	PMPM
Insurer Prescription Drug Spending (excluding member cost share) (Paid Plan Cost)	\$1,156.4	\$125.46
Manufacturer Rebates Paid to Insurers	-\$316.0	-\$34.28
Insurer Prescription Drug Spending including Rebates	\$840.4	\$91.18
Medical Claim Spending (excluding member cost share) (Paid Medical Plan Cost)	\$3,796.2	\$411.87
Total Health Insurance Premium	\$5,307.3	\$575.80
Total Member Months		9,217,000

Table 3

Year-Over-Year Changes in Costs for All Prescription Drugs: Table 4 compares the PMPM costs between 2022 and 2023 for comprehensive medical plans that include pharmacy benefits:⁷

Costs in Relation to Premium	PMPM (2022)	PMPM (2023)	2023/2022
1) Total Prescription Drug Spending (including member cost share)	\$126.99	\$135.67	6.8%
2) Insurer Prescription Drug Spending (excluding member cost-share) (Paid Plan Cost)	\$112.39	\$125.46	11.6%
3) Manufacturer Rebates Paid to Insurers	-\$27.82	-\$34.28	23.2%
4) Insurer Prescription Drug Spending including Rebates	\$84.57	\$91.18	7.8%
5) Medical Claim Spending (excluding member cost share) (Paid Medical Plan Cost)	\$391.03	\$411.87	5.3%
6) Total Health Insurance Premium	\$545.35	\$575.80	5.6%
7) Total Member Months	9,678,000	9,217,000	-4.8%

Table 4

The data in the corresponding rows in Table 4 indicate the following year-over-year changes:

- Row 1) shows an increase of 6.8% in overall drug spending PMPM, for combined costs paid by insurers and members. The increase in the portion paid by the insurer, however, is higher.
- Row 2) shows an increase of 11.6% in overall insurer drug spending PMPM before rebates are accounted for.
- Row 3) shows that manufacturer rebates paid to insurers increased by 23.2%.
- Row 4) shows an increase of 7.8% in overall insurer drug spending PMPM when rebates are subtracted.
- Row 5) shows the increase in drug spending for this population in 2023 (7.8%) was higher than the overall increase in medical spending (5.3%).

⁷ Several health insurers updated their costs for 2022, altering 2022 (PMPM) amounts in this report as compared to the amounts shown in last year's report.

Prescription Drug Costs as a Percentage of Health Insurance Premiums: Table 5 measures prescription drug costs as a percent of premiums and claims costs.

All Prescription Drugs	2017	2018	2019	2020	2021	2022	2023
Prescription Cost (Net of Rebates)							
-as a % of Paid Medical + Prescription Cost	15.6%	15.3%	16.3%	16.6%	16.3%	17.8%	18.1%
-as a % of Total Health Care Premium	13.2%	12.9%	14.0%	13.4%	14.1%	15.5%	15.8%

Table 5

As shown in Table 5, prescription drug costs, net of manufacturer rebates, are increasing when measured as a percent of medical and drug costs and when measured as a percent of health care premiums. However, Table 5 measures only the net cost borne by health insurers and is not a measure of member cost sharing.

Prescription Drug Costs PMPM for All Prescription Drugs: Table 6 summarizes the total annual prescription drug spending, insurer prescription drug spending, and member cost sharing for all prescription drugs on a PMPM basis:

All Prescription Drugs	Generic (PMPM)	Brand Name (PMPM)	Specialty (PMPM)	Total (PMPM)
Total Prescription Drug Spending (including member cost share)	\$18.00	\$23.34	\$94.33	\$135.67
Insurer Prescription Drug Spending (excluding cost share)	\$12.66	\$21.10	\$91.70	\$125.46
Total Member Cost Share	\$5.33	\$2.24	\$2.64	\$10.21

Table 6

In Table 6, member cost sharing for prescription drugs is 8% overall, measured as a percent of total annual plan spending before rebates to insurers are subtracted. However, member cost sharing increases to 10% if measured as a percent of total annual plan spending net of rebates.⁸ Separate rebate information for generic, brand name, and specialty drugs is not available. For generic and brand name drugs, member cost share is slightly lower in percentage compared with 2022 data, and lower in dollar amount. For specialty drugs, member cost share is slightly lower in percentage compared with 2022 data, and higher in dollar amount.

⁸ Total member cost share (\$10.21) divided by total prescription drug spending (\$135.67) minus manufacturer rebates paid to insurers from Row 3 of Table 4 (\$-34.28).

Prescription Drug Costs Per Prescription for All Prescription Drugs: Total annual prescription drug spending, insurer prescription drug spending, and member cost sharing for all prescription drugs on a per prescription basis is summarized in Table 7.⁹

All Prescription Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
Total Prescription Drug Spending (including member cost share)	\$27.69	\$262.28	\$3,219.91	\$176.62
Insurer Prescription Drug Spending (excluding member cost share)	\$19.48	\$237.14	\$3,129.97	\$163.33
Total Member Cost Share	\$8.21	\$25.14	\$89.94	\$13.29

Table 7

⁹ CIC § 10123.1932 limits member cost sharing for prescription drugs in non-grandfathered policies.

Year-Over-Year Changes in Total Cost per Prescription for All Prescription Drugs:
 Comparisons of total cost per prescription between 2022 and 2023 for all generic, brand name, and specialty drugs are summarized in Table 8:

All Prescription Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
2022 Total Prescription Drug Spending (including member cost share)	\$23.15	\$213.95	\$3,718.18	\$146.51
2023 Total Prescription Drug Spending (including member cost share)	\$27.69	\$262.28	\$3,219.91	\$176.62
% Change	19.6%	22.6%	-13.4%	20.6%

Table 8

Data in Table 8 indicates an average increase of 20.6% in cost per prescription; this varies, however, for different categories of drugs. The change for generics is an increase of 19.6%, while the change for specialty drugs is a decrease of 13.4%. The change for brand name drugs is an increase of 22.6% due to lower utilization of COVID-19 vaccines in 2023. The numbers in Table 8 do not account for rebates, as separate rebate information for generic, brand name, and specialty drugs is not available. Given the overall increase in rebate amounts in 2023 compared with 2022, we expect the net changes after accounting for rebates to be less than the 22.6% increase and 13.4% decrease indicated above for brand and specialty drugs, respectively.

The 25 Most Frequently Prescribed Drugs: For all market segments combined for the 2023 experience year, information for the 25 most frequently prescribed drugs is summarized in Tables 9, 10, 11 and 12:

25 Most Frequently Prescribed Drugs	Generic	Brand Name	Specialty	Total
Total Prescription Drug Spending (including member cost share) (\$ million)	\$38.9	\$112.5	\$448.6	\$600.0
Insurer Prescription Drug Spending (excluding member cost share) (\$ million)	\$22.2	\$102.6	\$426.9	\$551.7
Total Number of Prescriptions (thousand)	2,396	492	197	3,085

Table 9

25 Most Frequently Prescribed Drugs	Generic	Brand Name	Specialty	Overall	All Other Prescribed Drugs	Total
Total Percentage of Prescriptions	33.8%	6.9%	2.8%	43.6%	56.4%	100.0%
Total Spending on Prescription Drugs	3.1%	9.0%	35.9%	48.0%	52.0%	100.0%
Impact on Total Health Insurance Premiums	0.4%	1.9%	8.0%	10.4%	11.4%	21.8%

Table 10

Tables 9 and 10 provide prescription drug cost by type and utilization, before any rebates are subtracted. Separate rebate information for generic, brand name, and specialty drugs is not available.

25 Most Frequently Prescribed Drugs	Generic (PMPM)	Brand Name (PMPM)	Specialty (PMPM)	Total (PMPM)
Total Prescription Drug Spending (including member cost share)	\$4.23	\$12.20	\$48.67	\$65.09
Insurer Prescription Drug Spending (excluding member cost share)	\$2.41	\$11.14	\$46.31	\$59.86
Total Member Cost Share	\$1.82	\$1.07	\$2.35	\$5.23

Table 11

25 Most Frequently Prescribed Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
Total Prescription Drug Spending (including member cost share)	\$16.25	\$228.67	\$2,278.19	\$194.48
Insurer Prescription Drug Spending (excluding member cost share)	\$9.26	\$208.71	\$2,168.13	\$178.85
Total Member Cost Share	\$6.99	\$19.96	\$110.06	\$15.64

Table 12

Tables 11 and 12 show that member cost sharing constitutes approximately 8% of drug cost. The percentage is expected to be higher if rebate amounts are taken into consideration.

The 25 Most Costly Drugs by Total Prescription Drug Spending: For all market segments combined for the 2023 experience year, information for the 25 most costly drugs by total spending is summarized in Tables 13, 14, 15 and 16:

25 Most Costly Drugs	Generic	Brand Name	Specialty	Total
Total Prescription Drug Spending (including member cost share) (\$ million)	\$61.0	\$132.1	\$526.5	\$719.6
Insurer Prescription Drug Spending (excluding member cost share) (\$ million)	\$47.4	\$121.0	\$504.7	\$673.1
Total Number of Prescriptions (thousands)	1,385	391	174	1,950

Table 13

25 Most Costly Drugs	Generic	Brand Name	Specialty	Overall	All Other Prescribed Drugs	Total
Total Percentage of Prescriptions	19.6%	5.5%	2.5%	27.5%	72.5%	100.0%
Total Spending on Prescription Drugs	4.9%	10.6%	42.1%	57.5%	42.5%	100.0%
Impact on Total Health Insurance Premiums	0.9%	2.3%	9.5%	12.7%	9.1%	21.8%

Table 14

In Tables 13 and 14, the prescription drug cost is shown before any rebates are subtracted. Separate rebate information for generic, brand name, and specialty drugs is not available.

Note that the specialty drugs in this group account for only 2.5% of prescriptions overall, while accounting for 42.1% of total spending on prescription drugs.

25 Most Costly Drugs	Generic (PMPM)	Brand Name (PMPM)	Specialty (PMPM)	Total (PMPM)
Total Prescription Drug Spending (including member cost share)	\$6.61	\$14.34	\$57.12	\$78.07
Insurer Prescription Drug Spending (excluding member cost share)	\$5.14	\$13.13	\$54.75	\$73.02
Total Member Cost Share	\$1.47	\$1.21	\$2.37	\$5.04

Table 15

25 Most Costly Drugs	Generic (Per Script)	Brand Name (per Script)	Specialty (per Script)	Total (per Script)
Total Prescription Drug Spending (including member cost share)	\$44.01	\$337.86	\$3,018.00	\$368.88
Insurer Prescription Drug Spending (excluding member cost share)	\$34.21	\$309.43	\$2,893.03	\$345.05
Total Member Cost Share	\$9.80	\$28.43	\$124.97	\$23.84

Table 16

In Tables 15 and 16, member cost sharing constitutes approximately 6% of drug costs. For costly drugs, members pay a smaller share, likely due to plan designs that utilize copayments, as opposed to coinsurance, and the annual limit on out-of-pocket costs.

The 25 Drugs with the Highest 2023-over-2022 Increase in Total Prescription Drug Spending: For all market segments combined, information for the 25 drugs with the highest 2023-over-2022 increase is summarized in Table 17:

25 Drugs with Highest Increase	Generic	Brand Name	Specialty	Total
2022 Total Prescription Drug Spending (including member cost share) (\$ million)	\$20.4	\$58.3	\$251.2	\$329.9
2023 Total Prescription Drug Spending (including member cost share) (\$ million)	\$40.5	\$91.6	\$416.9	\$548.9

Table 17

The names of the drugs with the highest increase are listed in Tables 24-26 on pages 24 to 26.

III – Overview of the Filings

Information received from the companies

The findings presented here are based on CDI's review of data received from insurance companies. CDI accepts the submitted data as accurate without conducting an independent audit or verification of its accuracy. As such, CDI cannot guarantee the accuracy and integrity of the submitted data. However, as much as is possible, the data was verified to be internally consistent, and when there have been inconsistencies, CDI has requested and received appropriate corrections and explanations from the companies.

Background to the current filings

This is the seventh year that insurance companies reported prescription drug data to CDI pursuant to CIC section 10123.205. CDI received filings from all insurers that must report prescription drug data.

IV – Summary of the Filings

Pursuant to CIC section 10123.205, CDI received filings from nine health insurers. The filings include, for all market segments combined, the 25 most frequently prescribed drugs, the 25 most costly drugs by total annual plan spending, and the 25 drugs with the highest year-over-year increase in total annual plan spending in each of the three drug categories: generic, brand name, and specialty drugs. The tables below present this data aggregated across all insurers and do not reveal health insurer-specific information.

The following insurance companies submitted filings:

Company
Aetna Life Insurance Company
Anthem Blue Cross Life & Health Insurance Company
Blue Shield of California Life & Health Insurance Company
Cigna Health & Life Insurance Company
Health Net Life Insurance Company
Kaiser Permanente Insurance Company
Nippon Life Insurance Company of America
UnitedHealthcare Insurance Company
Wellfleet Insurance Company

The 25 Most Frequently Prescribed Drugs: For all market segments combined, Tables 18-20 aggregate the 25 most frequently prescribed drugs (across all insurers) in the following categories: generic, brand name, and specialty.

The 25 Most Frequently Prescribed Generic Drugs:

Rank	Prescription Drug Name	Therapy Class
1	ATORVASTATIN	Cardiovascular Agents
2	LEVOTHYROXINE	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
3	ESCITALOPRAM	Antidepressants; Anxiolytics
4	AMOXICILLIN	Antibacterials
5	AMLODIPINE	Cardiovascular Agents
6	METFORMIN	Cardiovascular Agents
7	LISINAPRIL	Cardiovascular Agents
8	ROSUVASTATIN	Cardiovascular Agents
9	LOSARTAN	Cardiovascular Agents
10	SERTRALINE	Antidepressants; Anxiolytics
11	BUPROPION	Cardiovascular Agents
12	DEXTROAMPHETAMINE	Central Nervous System Agents
13	FLUOXETINE	Antidepressants
14	ALBUTEROL	Respiratory Tract/Pulmonary Agents
15	METOPROLOL	Gastrointestinal Agents
16	GABAPENTIN	Anticonvulsants; Central Nervous System Agents
17	SPIRONOLACTONE	Cardiovascular Agents
18	TRAZODONE	Antidepressants
19	HYDRO-CHLOROTHIAZIDE	Cardiovascular Agents
20	MONTELUKAST	Respiratory Tract/Pulmonary Agents
21	AZITHROMYCIN	Antibacterials
22	PREDNISONE	Hormonal Agents, Stimulant/Replacement/Modifying (Adrenal); Inflammatory Bowel Disease Agents
23	IBUPROFEN	Analgesics; Anti-inflammatory Agents
24	OMEPRAZOLE	Gastrointestinal Agents
25	ESTRADIOL	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)

Table 18

The 25 Most Frequently Prescribed Brand Name Drugs:

Rank	Prescription Drug Name	Therapy Class
1	FLUCELVAX	Vaccines
2	VYVANSE	Central Nervous System Agents
3	COMIRNATY	Vaccines
4	SPIKEVAX	Vaccines
5	COVID-19 TEST	Diagnostic Tests
6	LO LOESTRIN FE	Contraceptives
7	DEXCOM	Blood Glucose Regulators
8	JARDIANCE	Blood Glucose Regulators
9	SYNTHROID	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
10	FLUZONE	Vaccines
11	ELIQUIS	Blood Products and Modifiers
12	PAXLOVID	Antivirals
13	ARMOUR THYROID	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
14	SHINGRIX	Vaccines
15	SYMBICORT	Respiratory Tract/Pulmonary Agents
16	FARXIGA	Blood Glucose Regulators
17	ADVAIR	Respiratory Tract/Pulmonary Agents
18	PFIZER-BIONTECH COVID-19 VACCINE	Vaccines
19	FLUARIX	Vaccines
20	XARELTO	Blood Products and Modifiers
21	NOVOLOG	Blood Glucose Regulators
22	BASAGLAR	Blood Glucose Regulators
23	ONETOUCH	Blood Glucose Regulators
24	ALBUTEROL	Respiratory Tract/Pulmonary Agents
25	FLOVENT	Respiratory Tract/Pulmonary Agents

Table 19

The 25 Most Frequently Prescribed Specialty Drugs:

Rank	Prescription Drug Name	Therapy Class
1	OZEMPIC	Blood Glucose Regulators
2	WEGOVY	Blood Glucose Regulators
3	TRULICITY	Blood Glucose Regulators
4	MOUNJARO	Blood Glucose Regulators
5	DESCOVY	Antivirals
6	HUMIRA	Immunological Agents
7	DUPIXENT	Immunological Agents
8	NURTEC	Antimigraine Agents
9	BIKTARVY	Antivirals
10	JARDIANCE	Blood Glucose Regulators
11	RYBELSUS	Blood Glucose Regulators
12	HUMALOG	Blood Glucose Regulators
13	UBRELVY	Antimigraine Agents
14	VRAYLAR	Antipsychotics
15	STELARA	Immunological Agents
16	EMTRICITABINE	Antivirals
17	FARXIGA	Blood Glucose Regulators
18	SKYRIZI	Immunological Agents
19	OTEZLA	Dermatological Agents; Immunological Agents
20	SAXENDA	Anti-Obesity Agents
21	QULIPTA	Antimigraine Agents
22	XARELTO	Blood Products and Modifiers
23	ENBREL	Immunological Agents
24	REXULTI	Antipsychotics
25	JANUVIA	Blood Glucose Regulators

Table 20

The 25 Most Costly Drugs by Total Prescription Drug Spending: For all market segments combined, Tables 21-23 aggregate the 25 most costly drugs across all insurers in the following categories: generic, brand name, and specialty drugs.

The 25 Most Costly Generic Drugs by Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	DEXTROAMPHETAMINE	Central Nervous System Agents
2	EMTRICITABINE	Antivirals
3	ROSUVASTATIN	Cardiovascular Agents
4	ATORVASTATIN	Cardiovascular Agents
5	BUPROPION	Cardiovascular Agents
6	LISDEXAMFETAMINE	Central Nervous System Agents
7	EPINEPHRINE	Respiratory Tract/Pulmonary Agents
8	ESTRADIOL	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
9	MESALAMINE	Inflammatory Bowel Disease Agents
10	ALBUTEROL	Respiratory Tract/Pulmonary Agents
11	LURASIDONE	Antipsychotics
12	METHYLPHENIDATE	Central Nervous System Agents
13	TRETINOIN	Dermatological Agents
14	ESCITALOPRAM	Antidepressants; Anxiolytics
15	PROGESTERONE	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
16	ATOMOXETINE	Central Nervous System Agents
17	FLUOXETINE	Antidepressants
18	CLOBETASOL	Dermatological Agents
19	SERTRALINE	Antidepressants; Anxiolytics
20	LEVOTHYROXINE	Hormonal Agents, Stimulant/Replacement/Modifying (Thyroid)
21	LOSARTAN	Cardiovascular Agents
22	LAMOTRIGINE	Anticonvulsants; Bipolar Agents
23	VALACYCLOVIR	Antivirals
24	BUDESONIDE	Respiratory Tract/Pulmonary Agents
25	CYCLOSPORINE	Immunological Agents

Table 21

The 25 Most Costly Brand Name Drugs by Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	VYVANSE	Central Nervous System Agents
2	JARDIANCE	Blood Glucose Regulators
3	ELIQUIS	Blood Products and Modifiers
4	NOVOLOG	Blood Glucose Regulators
5	FARXIGA	Blood Glucose Regulators
6	LO LOESTRIN FE	Contraceptives
7	ADVAIR	Respiratory Tract/Pulmonary Agents
8	COMIRNATY	Vaccines
9	DEXCOM	Blood Glucose Regulators
10	SYMBICORT	Respiratory Tract/Pulmonary Agents
11	XARELTO	Blood Products and Modifiers
12	SPIKEVAX	Vaccines
13	TRINTELLIX	Antidepressants
14	LINZESS	Gastrointestinal Agents
15	EMGALITY	Antimigraine Agents
16	TRELEGY	Respiratory Tract/Pulmonary Agents
17	TRESIBA	Blood Glucose Regulators
18	ENTRESTO	Cardiovascular Agents
19	FLUCELVAX	Vaccines
20	BREO ELLIPTA	Respiratory Tract/Pulmonary Agents
21	OMNIPOD	Blood Glucose Regulators
22	OZEMPIC	Blood Glucose Regulators
23	REPATHA	Cardiovascular Agents
24	BASAGLAR	Blood Glucose Regulators
25	HUMALOG	Blood Glucose Regulators

Table 22

The 25 Most Costly Specialty Drugs by Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	HUMIRA	Immunological Agents
2	STELARA	Immunological Agents
3	DUPIXENT	Immunological Agents
4	OZEMPIC	Blood Glucose Regulators
5	SKYRIZI	Immunological Agents
6	BIKTARVY	Antivirals
7	DESCOVY	Antivirals
8	WEGOVY	Blood Glucose Regulators
9	TRIKAFTA	Respiratory Tract/Pulmonary Agents
10	ENBREL	Immunological Agents
11	TREMFYA	Immunological Agents
12	TRULICITY	Blood Glucose Regulators
13	MOUNJARO	Blood Glucose Regulators
14	OTEZLA	Dermatological Agents; Immunological Agents
15	RINVOQ	Immunological Agents
16	TALTZ	Immunological Agents
17	COSENTYX	Immunological Agents
18	VERZENIO	Antineoplastics
19	NURTEC	Antimigraine Agents
20	JARDIANCE	Blood Glucose Regulators
21	REVLIMID	Antineoplastics
22	IBRANCE	Antineoplastics
23	EMTRICITABINE	Antivirals
24	VRAYLAR	Antipsychotics
25	FARXIGA	Blood Glucose Regulators

Table 23

The 25 Drugs with the Highest 2023-over-2022 Increase in Total Prescription Drug Spending: For all market segments combined, Tables 24-26 each aggregate the 25 generic, brand name or specialty drugs with the highest year-over-year increase across all insurers.

The 25 Generic Drugs with the Highest 2023-over-2022 Increase in Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	DEXTROAMPHETAMINE	Central Nervous System Agents
2	LISDEXAMFETAMINE	Central Nervous System Agents
3	LURASIDONE	Antipsychotics
4	ROSUVASTATIN	Cardiovascular Agents
5	ATORVASTATIN	Cardiovascular Agents
6	EMTRICITABINE	Antivirals
7	EPINEPHRINE	Respiratory Tract/Pulmonary Agents
8	METHYLPHENIDATE	Central Nervous System Agents
9	BUPROPION	Cardiovascular Agents
10	ESCITALOPRAM	Antidepressants; Anxiolytics
11	ESTRADIOL	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
12	SODIUM SULFATE	Gastrointestinal Agents
13	LAMOTRIGINE	Anticonvulsants; Bipolar Agents
14	FLUTICASONE	Dermatological Agents
15	TOPIRAMATE	Anticonvulsants; Antimigraine Agents
16	SERTRALINE	Antidepressants; Anxiolytics
17	TRETINOIN	Dermatological Agents
18	DEXLANSOPRAZOLE	Gastrointestinal Agents
19	PROGESTERONE	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
20	FLUOXETINE	Antidepressants
21	CYCLOSPORINE	Immunological Agents
22	TESTOSTERONE	Hormonal Agents, Stimulant/Replacement/Modifying (Sex Hormones/Modifiers)
23	LOSARTAN	Cardiovascular Agents
24	MONTELUKAST	Respiratory Tract/Pulmonary Agents
25	AMLODIPINE	Cardiovascular Agents

Table 24

The 25 Brand Name Drugs with the Highest 2023-over-2022 Increase in Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	COMIRNATY	Vaccines
2	JARDIANCE	Blood Glucose Regulators
3	ELIQUIS	Blood Products and Modifiers
4	SPIKEVAX	Vaccines
5	DEXCOM	Blood Glucose Regulators
6	VYVANSE	Central Nervous System Agents
7	FARXIGA	Blood Glucose Regulators
8	OMNIPOD	Blood Glucose Regulators
9	SYMBICORT	Respiratory Tract/Pulmonary Agents
10	NOVOLOG	Blood Glucose Regulators
11	TRADJENTA	Blood Glucose Regulators
12	REPATHA	Cardiovascular Agents
13	OZEMPIC	Blood Glucose Regulators
14	TRELEGY	Respiratory Tract/Pulmonary Agents
15	COVID-19 TEST	Diagnostic Tests
16	ENTRESTO	Cardiovascular Agents
17	LEVEMIR	Blood Glucose Regulators
18	LINZESS	Gastrointestinal Agents
19	SLYND	Contraceptives
20	RESTASIS	Ophthalmic Agents
21	ADVAIR	Respiratory Tract/Pulmonary Agents
22	FLUCELVAX	Vaccines
23	FLUZONE	Vaccines
24	AREXVY	Vaccines
25	FLUBLOK	Vaccines

Table 25

The 25 Specialty Drugs with the Highest 2023-over-2022 Increase in Total Prescription Drug Spending:

Rank	Prescription Drug Name	Therapy Class
1	WEGOVY	Blood Glucose Regulators
2	OZEMPIC	Blood Glucose Regulators
3	SKYRIZI	Immunological Agents
4	HUMIRA	Immunological Agents
5	MOUNJARO	Blood Glucose Regulators
6	DUPIXENT	Immunological Agents
7	STELARA	Immunological Agents
8	RINVOQ	Immunological Agents
9	DESCOVY	Antivirals
10	BIKTARVY	Antivirals
11	VERZENIO	Antineoplastics
12	TREMFYA	Immunological Agents
13	KESIMPTA	Antineoplastics
14	NURTEC	Antimigraine Agents
15	GENOTROPIN	Hormonal Agents, Stimulant/Replacement/ Modifying (Pituitary)
16	TRIKAFTA	Respiratory Tract/Pulmonary Agents
17	LENALIDOMIDE	Antineoplastics
18	OPZELURA	Antineoplastics
19	VRAYLAR	Antipsychotics
20	ENBREL	Immunological Agents
21	JARDIANCE	Blood Glucose Regulators
22	LYNPARZA	Antineoplastics
23	SODIUM OXYBATE	Sleep Disorder Agents
24	QULIPTA	Antimigraine Agents
25	CIMZIA	Immunological Agents

Table 26

V – Glossary

Administrative Expenses/Costs: Business expenses associated with general administration, agents/brokers fees and commissions, direct sales salaries, workforce salaries and benefits, loss adjustment expenses, cost containment expenses, and community benefit expenditures.

Allowed Dollar Amount: Total payments made under the policy to health care providers on behalf of covered members, including payments made by issuers and member cost sharing.

Annual Plan Spending: Total payments made under the policy to health care providers on behalf of covered members, including payments made by issuers and member cost sharing = Allowed Dollar Amount.

Biological Product: Biological products are regulated by the Food and Drug Administration (FDA) and are used to diagnose, prevent, treat, and cure diseases and medical conditions. Biological products are a diverse category of products and are generally large, complex molecules. These products may be produced through biotechnology in a living system.

Biosimilar Product: A biosimilar product is a biological product that is highly similar to and has no clinically meaningful differences from an existing FDA-approved reference product. Treated in this report as generic, unless the plan- or insurer-negotiated monthly cost exceeds the threshold for a specialty drug.

Brand Name Drug: Medications protected by patents that grant their makers exclusive marketing rights for several years. When patents expire, other manufacturers can sell generic copies at lower prices.

Dispensed at Pharmacy: Dispensed at a network pharmacy, or mail order pharmacy for outpatient use.

Formulary: List of drugs used to treat patients in a drug benefit plan. Products listed on a formulary are covered for reimbursement at varying levels.

Generic Drug: A generic drug is a medication created to be the same as an already marketed brand name drug in dosage, form, safety, strength, route of administration, quality, performance characteristics, and intended use. These similarities help to demonstrate bioequivalence, which means that a generic drug works in the same way and provides the same clinical benefit as its brand name version. In other words, a generic drug is an equal substitute for its brand name counterpart.

Interchangeable Product: An interchangeable product is a biosimilar product that meets additional requirements outlined by the Biologics Price Competition and Innovation Act.

Mail Order: Licensed pharmacy established to dispense maintenance medications for chronic use in quantities greater than normally purchased at a retail pharmacy. The mail order pharmacy usually uses highly automated equipment so that non-pharmacists perform many routine tasks. As a result, mail order can typically dispense medication at a lower cost per prescription.

Member Cost Sharing: Total payments made by members under the policy to health care providers, including copays, deductibles, and coinsurances = Allowed Dollar Amount – Paid Plan Cost.

Member Months: The total number of lives, including dependents, insured on a pre-specified day of each month of the reporting period.

National Drug Code (NDC): Numeric system to identify drug products in the United States. A drug's NDC number is often expressed using a 3-segment-number where the first segment identifies the manufacturer, the second identifies the product and strength, and the last identifies the package size and type.

Number of Prescriptions: A 30-day supply is treated as a unit. Between 1- to 30-day supply is 1 unit, between 31- to 60-day supply is 2 units, and more than a 60-day supply is treated as 3 units.

Paid Dollar Amount: Allowed Dollar Amount minus the member cost sharing amount = Incurred Costs. (If this term is related to drug cost only, excludes Manufacturer Rebate.)

Paid Plan Claim (Paid Plan Cost): Allowed Dollar Amount minus the member cost sharing amount = Incurred Costs. (If this term is related to drug cost only, excludes Manufacturer Rebate.)

Pharmacy Benefit Manager (PBM): Organization dedicated to administering prescription benefit management services to employers, health plans, third-party administrators, union groups, and other plan sponsors. A full-service PBM maintains eligibility, adjudicates prescription claims, provides clinical services and customer support, contracts and manages pharmacy networks, and provides management reports.

Pharmacy Benefits Carve-In: Management of the drug benefit is included with the management of the medical benefit, using a single entity and contract to administer both benefits.

Pharmacy Benefits Carve-Out: Management of the drug benefit is separate from the management of the medical benefit, using two different entities or two separate contracts to administer the benefits.

Prescription Drug: A self-administered drug approved by the FDA for sale to the public through retail or mail order pharmacies that requires a prescription and is not provided for use on an inpatient basis or administered in a clinical setting or by a licensed health care provider. The term includes: (i) disposable devices that are medically necessary for the administration of a covered prescription drug, such as spacers and inhalers for the administration of aerosol outpatient prescription drugs; (ii) syringes for self-injectable prescription drugs that are not dispensed in pre-filled syringes; (iii) drugs, devices, and FDA-approved products covered under the prescription drug benefit of the product pursuant to sections 1367.002 and 1367.25 of the Health and Safety Code, including any such over-the-counter drugs, devices, and FDA-approved products; and (iv) at the option of the health care service plan, any vaccines or other health benefits covered under the prescription drug benefit of the product.

Reference Product: A reference product is the single biological product, already approved by the FDA, against which a proposed biosimilar product is compared. A reference product is approved based on, among other things, a full complement of safety and effectiveness data. Treated in this report as Brand Name or Brand Name Specialty.

Retail: Medications are purchased at a retail pharmacy.

Specialty Drug: A drug with a plan- or insurer-negotiated monthly cost that exceeds the threshold for a specialty drug under the Medicare Part D program (Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173)). In 2023, the threshold amount is \$830 for a one-month supply.