

Access, Affordability, and Outcomes

THE VALUE OF MANAGED CARE PHARMACY

Patients' savings varied from mail order pharmacies to community pharmacies (with a 90-day supply), depending on the types of medications they use, when compared to a 30-day supply from a community pharmacy.

When patients use mail order pharmacies to receive their medication in 90-day supplies:

For brand medications reimbursed by commercial payers, average patient savings was **13%**.

For generic medications reimbursed by commercial payers, average patient savings was **22%**.

For brand medications reimbursed by Medicare, average patient savings was **12%**.

When patients use community pharmacies to receive their medication in 90-day supplies:

For brand medications reimbursed by commercial payers, average patient savings was **32%**.

For generic medications reimbursed by commercial payers, average patient savings was **23%**.

For brand medications reimbursed by Medicare, average patient savings was **7%**.

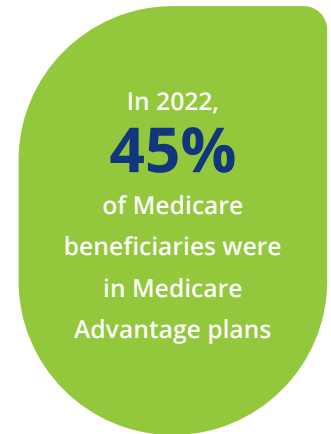
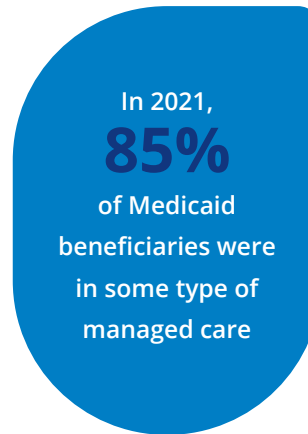
Patients using mail-order pharmacies for 90-day supplies had the highest therapy adherence, with 83% of patients using mail order pharmacies having 80% of days or more covered per year—higher than other dispensing methods.

The analysis also found there are significant differences in cost for specialty drugs driven by the site of care. When comparing three physician-administered drugs (Prolia, Entyvio and Ocrevus) being prescribed in different settings, we found significantly higher costs to plan sponsors in the HOPD setting relative to the pharmacy setting. When administered in an office setting, the difference in cost to plan sponsors was less pronounced and varied by drug.

Medicaid and Medicare



- As of 2021, 85% of Medicaid beneficiaries are enrolled in some form of managed care, and 75% are enrolled in comprehensive managed care through MCOs.
- Under Medicare, 45% of beneficiaries chose to obtain inpatient and outpatient medical benefits through Medicare Advantage plans rather than through the traditional fee-for-service program (i.e., Parts A and B).



Source: "Managed Care," Healthinsurance.org (<https://www.healthinsurance.org/glossary/managed-care/>, accessed June 6, 2023).

- This snapshot of where people got their prescription drug coverage in 2021 shows that nearly all insured Americans have prescription drug coverage.

U.S. Prescription Drug Coverage, by Insurance Type, 2021

Nearly all insured Americans have prescription drug coverage. Of all the insurance types, Medicare has the lowest rate of prescription drug coverage, at 89%.

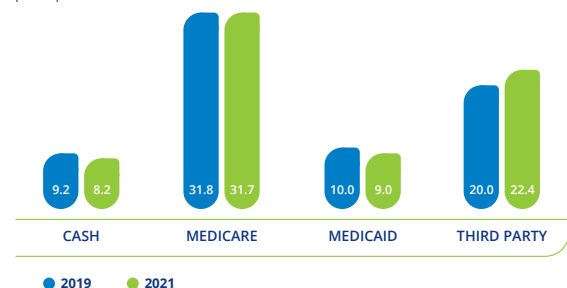
	MEDICAL COVERAGE		PRESSCRIPTION COVERAGE
	NUMBER (IN THOUSANDS)	% OF TOTAL	% OF CATEGORY
Total [1]	328,074		
Uninsured [1]	27,187	8.3%	0%
Any Health Plan [1]	300,887	91.7%	
Any Public [1]	117,095	35.7%	
Medicare [1]	60,226	18.4%	89% [4]
Traditional (FFS) [2]	34,270	10.4%	
Medicare Advantage (Part C) [2]	25,956	7.9%	
Medicaid [1]	61,940	18.9%	100% [5]
Traditional (FFS) [3]	9,106	2.8%	
Any type of Managed Care [3]	52,834	16.1%	
CHAMPVA and VA [1]	3,151	1.0%	100% [6]
Any Private [1]	216,366	66.0%	
Employer [1]	178,285	54.3%	98% [7]
Direct Purchase/Marketplace [1]	33,555	10.2%	100% [8]
Tricare [1]	8,299	2.5%	100% [9]

Source: AMCP, "Access, Affordability, and Outcomes: THE VALUE OF MANAGED CARE PHARMACY Report 2024," p. 11.

- This chart compares the volume of dispensed prescriptions per enrollee per method of payment for 2019 and 2021.
- Medicare patients receive a substantially higher number of prescriptions than enrollees in other types.

Volume of Dispensed Prescriptions Per Enrollee by Method of Payment, 2019 and 2021

Medicare and commercial (third-party) insured members access higher numbers of prescriptions than Medicaid or cash.

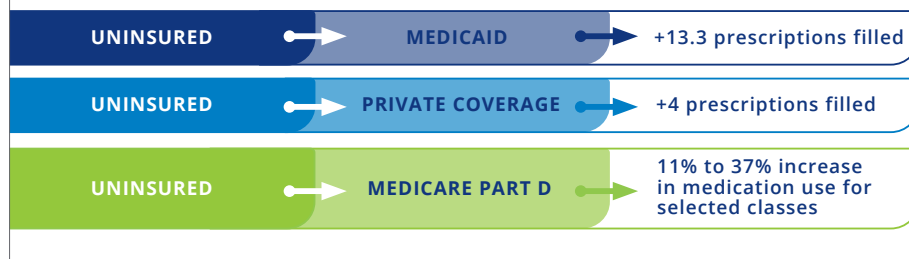


Source: IQVIA, "The Use of Medicines in the U.S. 2022," Exhibit 12, p. 17.

- From 2013 to 2014, individuals who went from uninsured to Medicaid had an average of 13.3 more prescriptions filled and those going from uninsured to private had an average of four more prescriptions filled.
- Medicaid expansion through the ACA led to a 19% increase in Medicaid prescriptions or roughly nine additional prescriptions annually per newly eligible beneficiary.

Impact of Gaining Insurance

Uninsured patients who gained insurance coverage filled a greater number of prescriptions after coverage began.

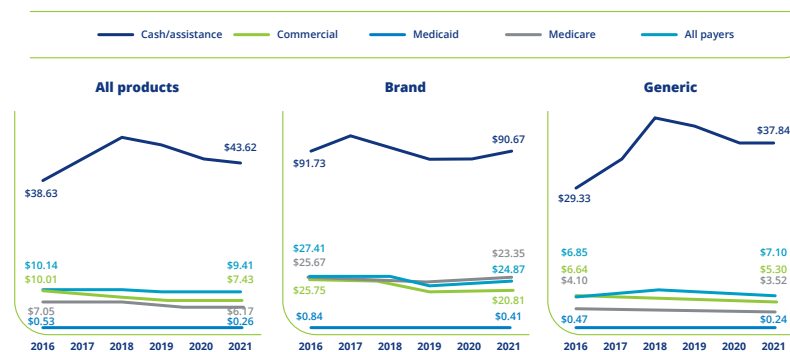


Source: Andrew W. Mulcahy, Christine Eibner, and Kenneth Finegold, "Gaining Coverage Through Medicaid Or Private Insurance Increased Prescription Use and Lowered Out-Of-Pocket Spending," *Health Affairs*, Volume 35, no. 9, September 2016, p. 1729 (<https://www.healthaffairs.org/doi/10.1377/hlthaff.2016.0091>, accessed June 7, 2023).

- According to IQVIA, cash-paying patients paid an average of \$43.62 per prescription in 2021, over five times more than any other patient group.
- The uninsured pay more out of pocket for their prescriptions.

Average final out-of-pocket cost per retail prescription by product type and method of payment

Cash-paying patients had higher out-of-pocket costs for retail prescriptions across product types than insured patients.

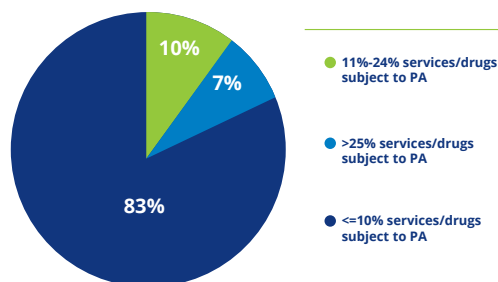


Source: IQVIA Institute, "The Use of Medicines in the U.S. 2022," Exhibit 31.

- This chart highlights the use of prior authorization for enrollees within commercial plans.
- Approximately 83% of enrollees have nearly all of their prescriptions readily accessible without Prior Authorization

Portion of Commercial Enrollees by Percentage of Drugs Subject to Prior Authorization

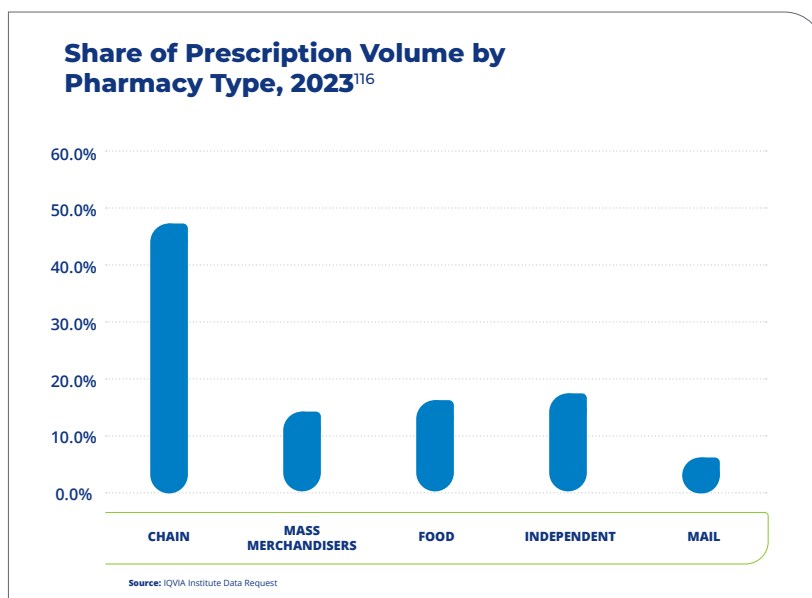
More than 8 in 10 commercial enrollees had 10 percent or less of their covered drugs subject to prior authorization.



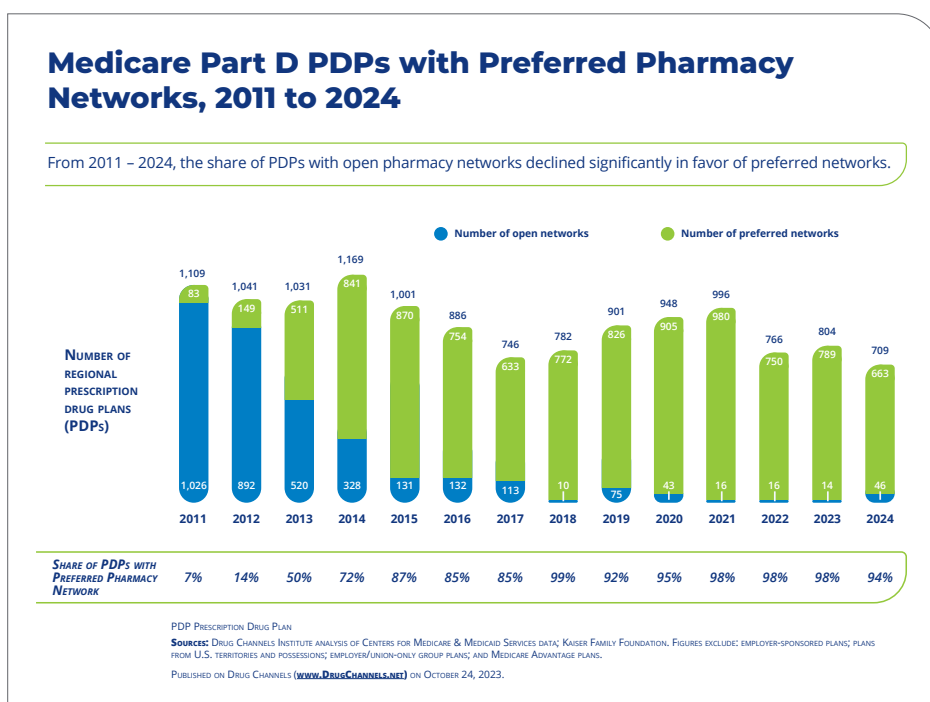
Source: AHIP, "Key Results of Industry Survey on Prior Authorization," p. 10.

Pharmacy Types

- There are five main types of retail pharmacies in the United States: 1. Chain pharmacies (e.g., Walgreens, CVS), 2. Mass merchandisers (e.g., Walmart), 3. Food stores (e.g., Kroger, Safeway), 4. Independent pharmacies, 5. Mail order pharmacies
- This figure shows the share of prescriptions that flowed through each pharmacy type in 2023.



- Within Medicare Part D, 94% of standalone prescription drug plans (PDPs) in 2024 had a preferred network compared with 51% of Medicare Advantage prescription drug plans (MA-PDs).
- Among standalone PDP plans, the use of preferred networks has grown significantly over time, as shown here.
- About 50% of employer-sponsored health plans utilize a narrow or preferred network.



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