

Chartbook:

Connecticut pharmacy spending

Corrected

January 19, 2018

Across payers, Connecticut policymakers are examining drivers of growing health spending. A recent analysis found that pharmacy costs are the largest driver of those costs. State leaders are considering policy options to provide relief. This report provides a deeper analysis of Connecticut's pharmacy spending to inform that policymaking.

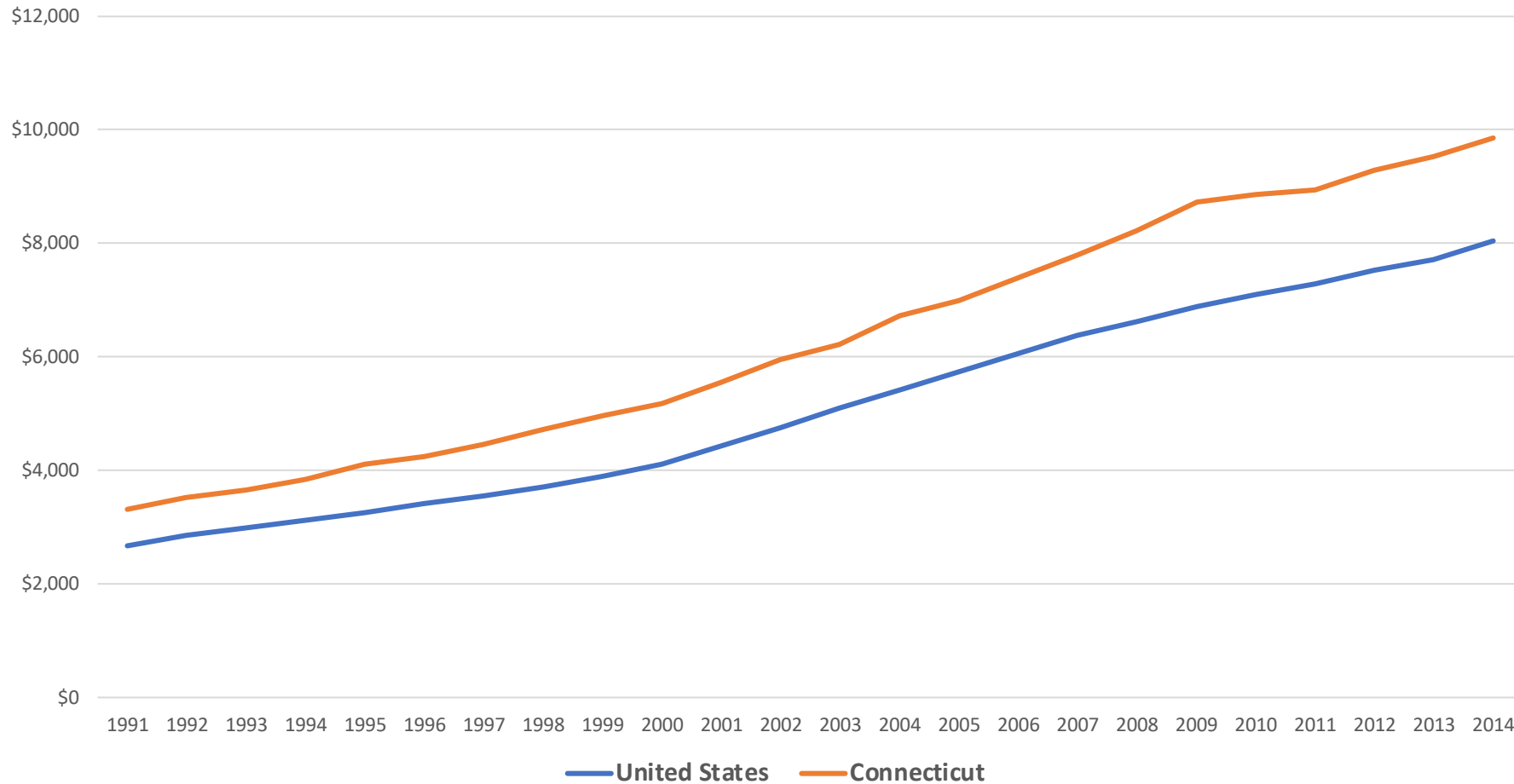
Founded in 1999, the CT Health Policy Project is a non-partisan, non-profit organization dedicated to improving access to high quality, affordable healthcare for every Connecticut resident.

Key Findings

- Connecticut residents spend much more on prescriptions than residents of other states and the costs are rising faster.
- Drug costs are the main driver of rising health costs in Connecticut, growing faster than any other sector.
- Since 2003, drug costs have grown faster in Connecticut than the rest of the nation.
- Prescription drugs consume almost a quarter of private health insurance spending in Connecticut and that share is growing.
- Connecticut's Medicaid's net prescription drug costs were \$626 million last year, triple net pharmacy spending in 2000.*
- Pharmacy costs comprised 10.5% of total Medicaid spending last year. That proportion has been stable since 2000.*

* Corrected items

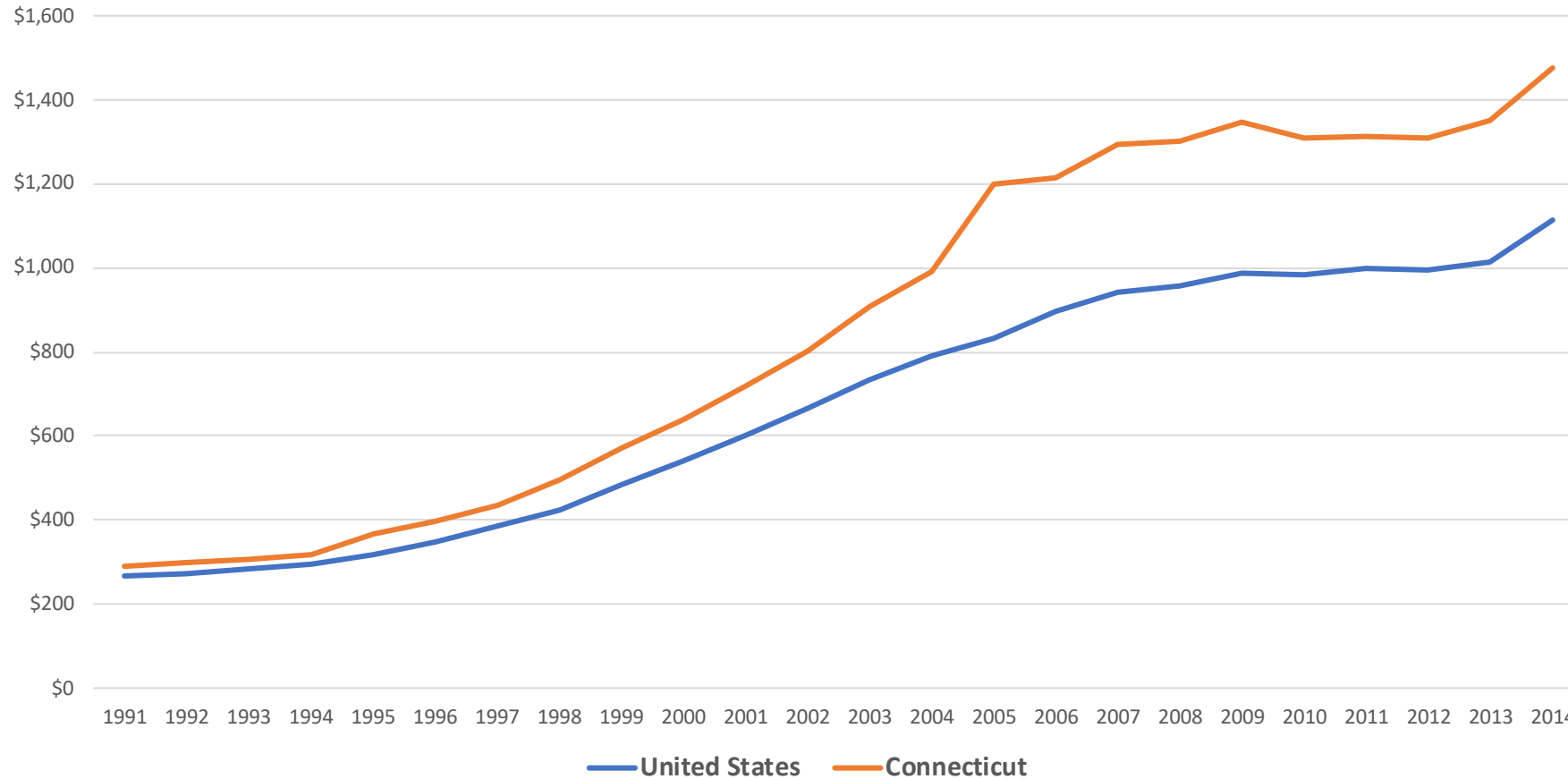
Per capita health spending



Key Findings

Health spending is rising for both Connecticut residents and all Americans

Drug, nondurable product spending per capita



Key Findings

Drug and other nondurable product spending is higher for Connecticut residents than most Americans

And the gap is growing

State rank

per capita drugs,
nondurable product
spending

Total per capita drugs, nondurable products cost, 2014	per capita, avg annual percent growth, 1991 to 2014
Delaware	New York highest
Connecticut	Delaware
New York	Connecticut
Rhode Island	Maine
Alabama	Rhode Island
West Virginia	Missouri
New Jersey	North Dakota
Pennsylvania	Alabama
Missouri	Nebraska
Louisiana	South Carolina
Massachusetts	Vermont
Nebraska	Pennsylvania
North Carolina	Massachusetts
Florida	North Carolina
New Hampshire	West Virginia
Tennessee	Louisiana
Kentucky	Arkansas
South Carolina	Wisconsin
Hawaii	New Jersey
Oklahoma	New Hampshire
North Dakota	Oklahoma
District of Columbia	District of Columbia
Arkansas	Iowa
Maine	Florida
Vermont	Mississippi
Iowa	South Dakota
Maryland	Kentucky
Mississippi	Kansas
Indiana	Tennessee
Kansas	Indiana
Michigan	Texas
Wisconsin	Minnesota
Texas	Maryland
Ohio	Illinois
Virginia	Ohio
Illinois	Michigan
Nevada	Virginia
California	Hawaii

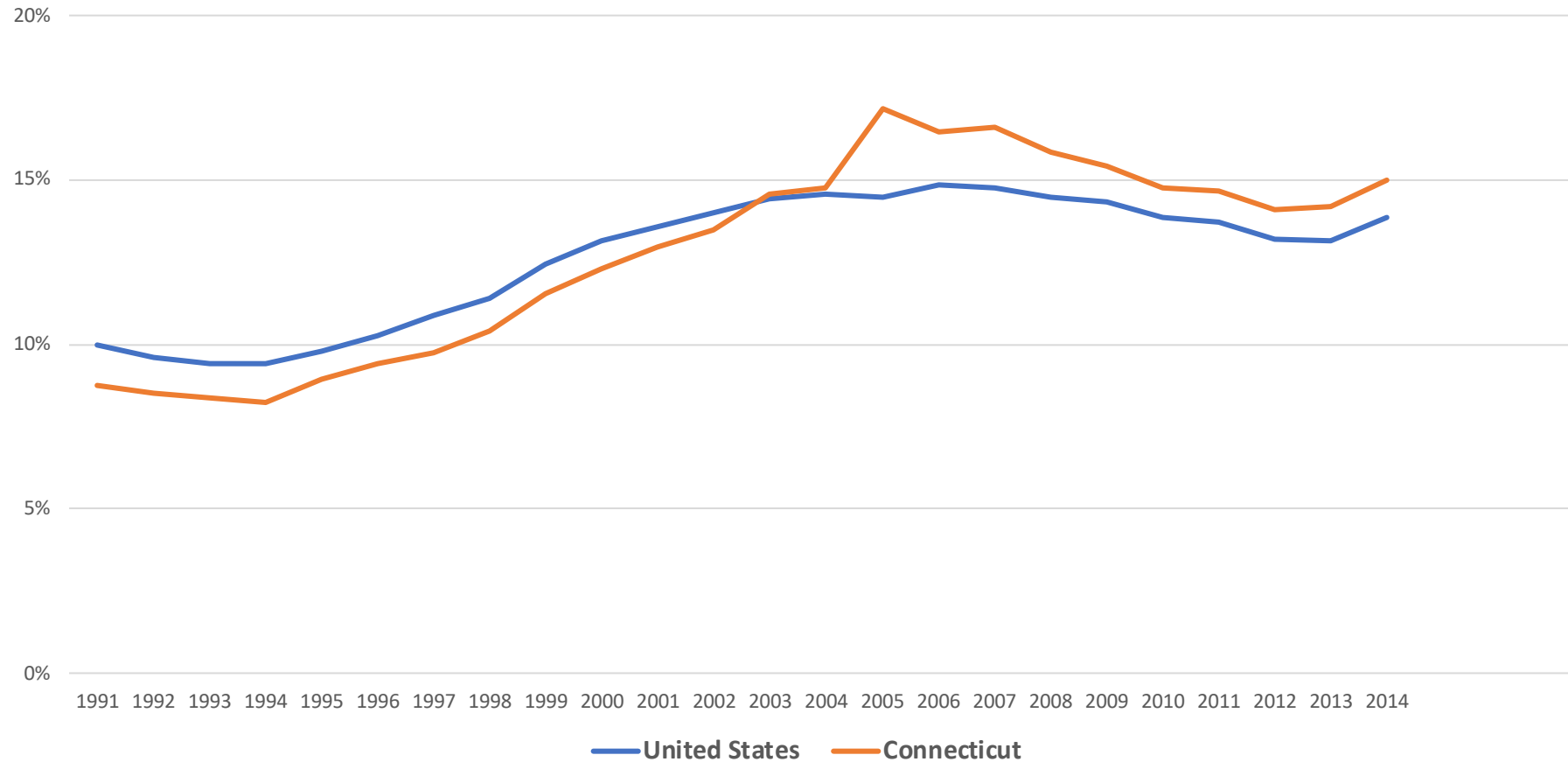
Per capita – 2014

Average annual growth –
1991 to 2014

Key Findings

Connecticut residents spend more per person than all but one other state’s residents on prescriptions and nondurable healthcare products and that rate is growing much faster than other states.

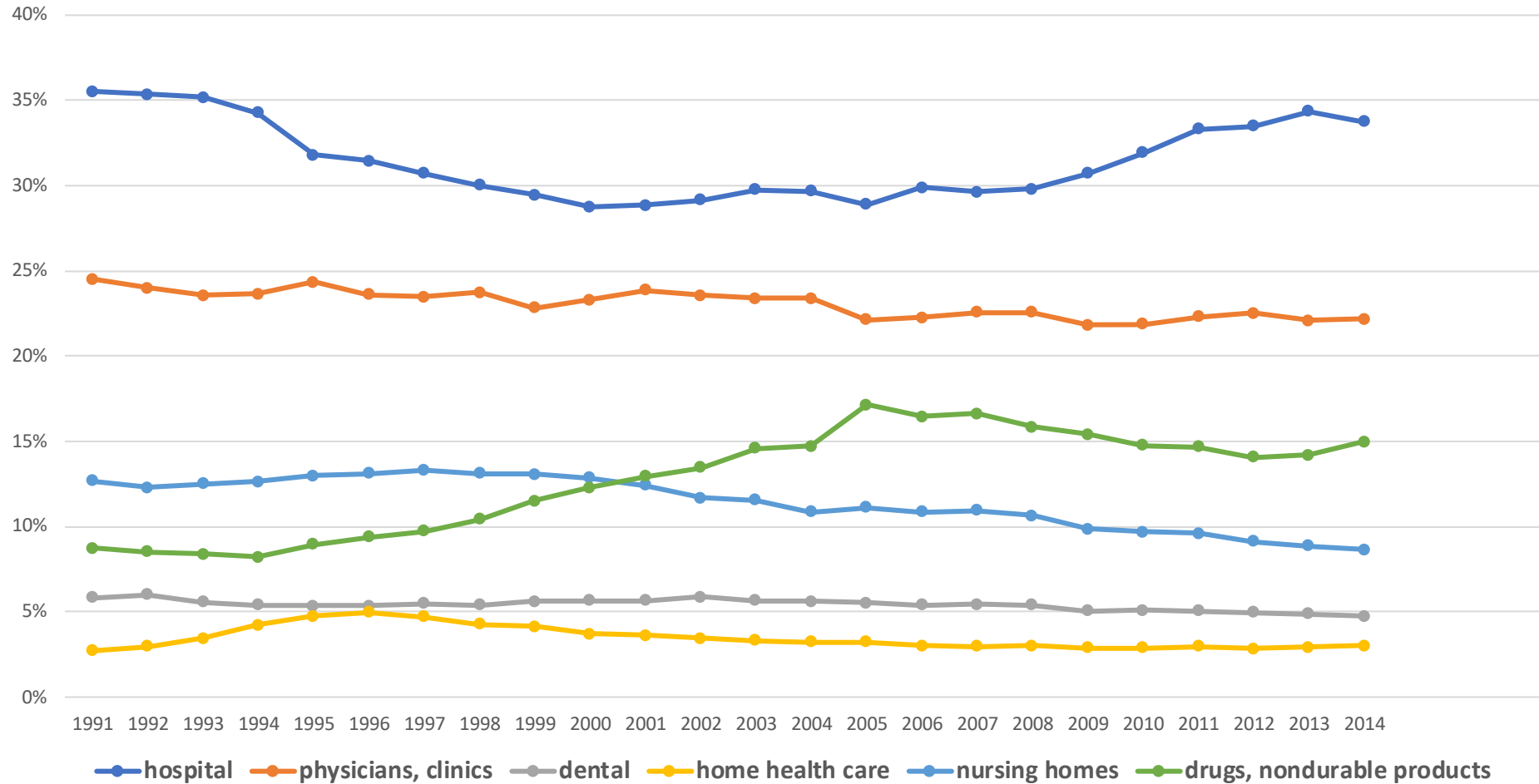
Drugs, nondurable products share of total per capita spending



Key Findings

Since 2003 spending on drugs and other nondurable products have grown faster in Connecticut than nationally

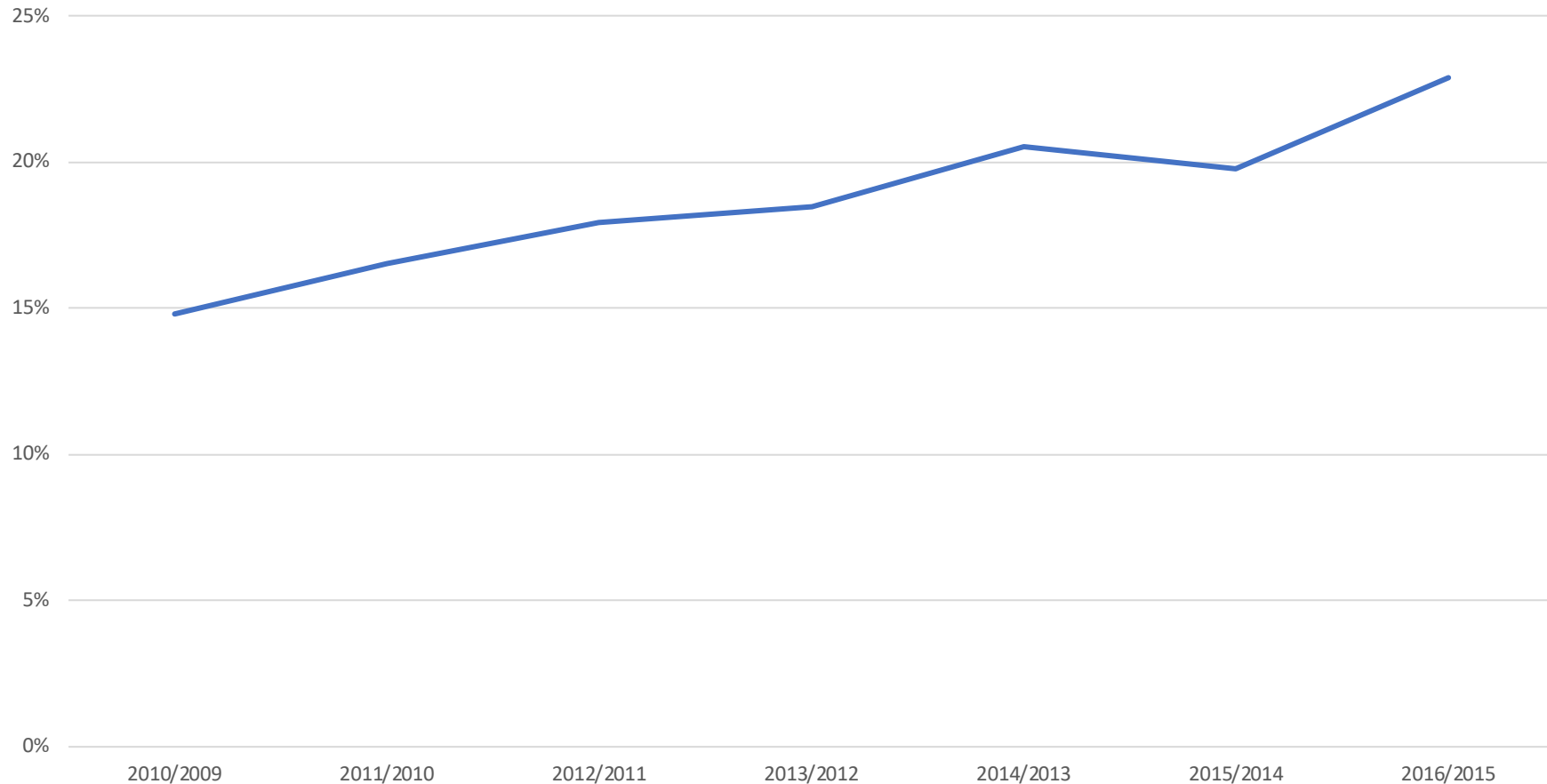
Share of Connecticut per capita spending by service



Key Findings

Drugs consume a growing share of Connecticut's health care spending, surpassing nursing home care in 2001

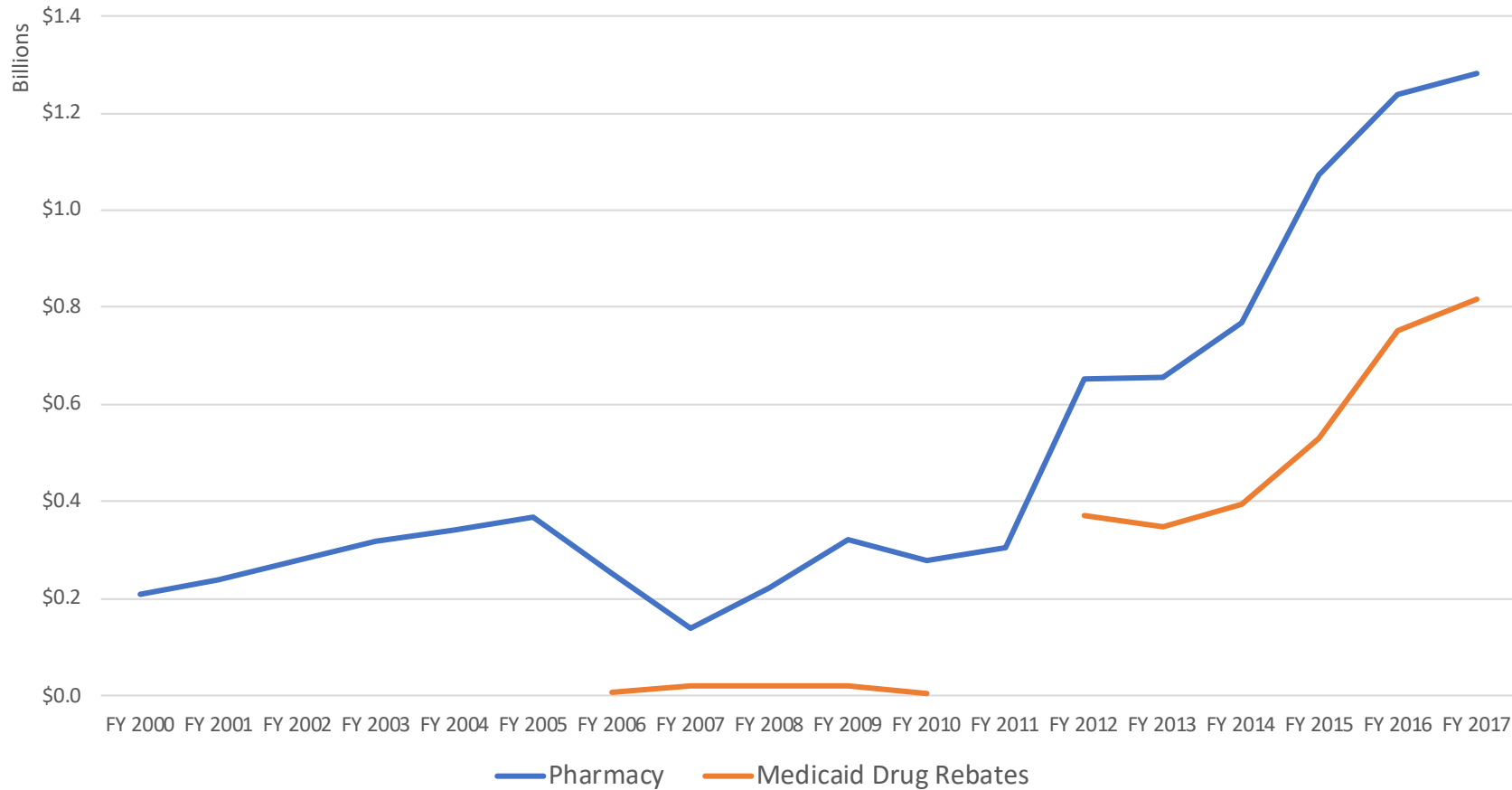
Pharmacy percent of total spending, CT private insurance



Key Findings

Pharmaceutical costs are consuming a growing share of Connecticut private health insurance spending, rising to 23% in 2016/2015.

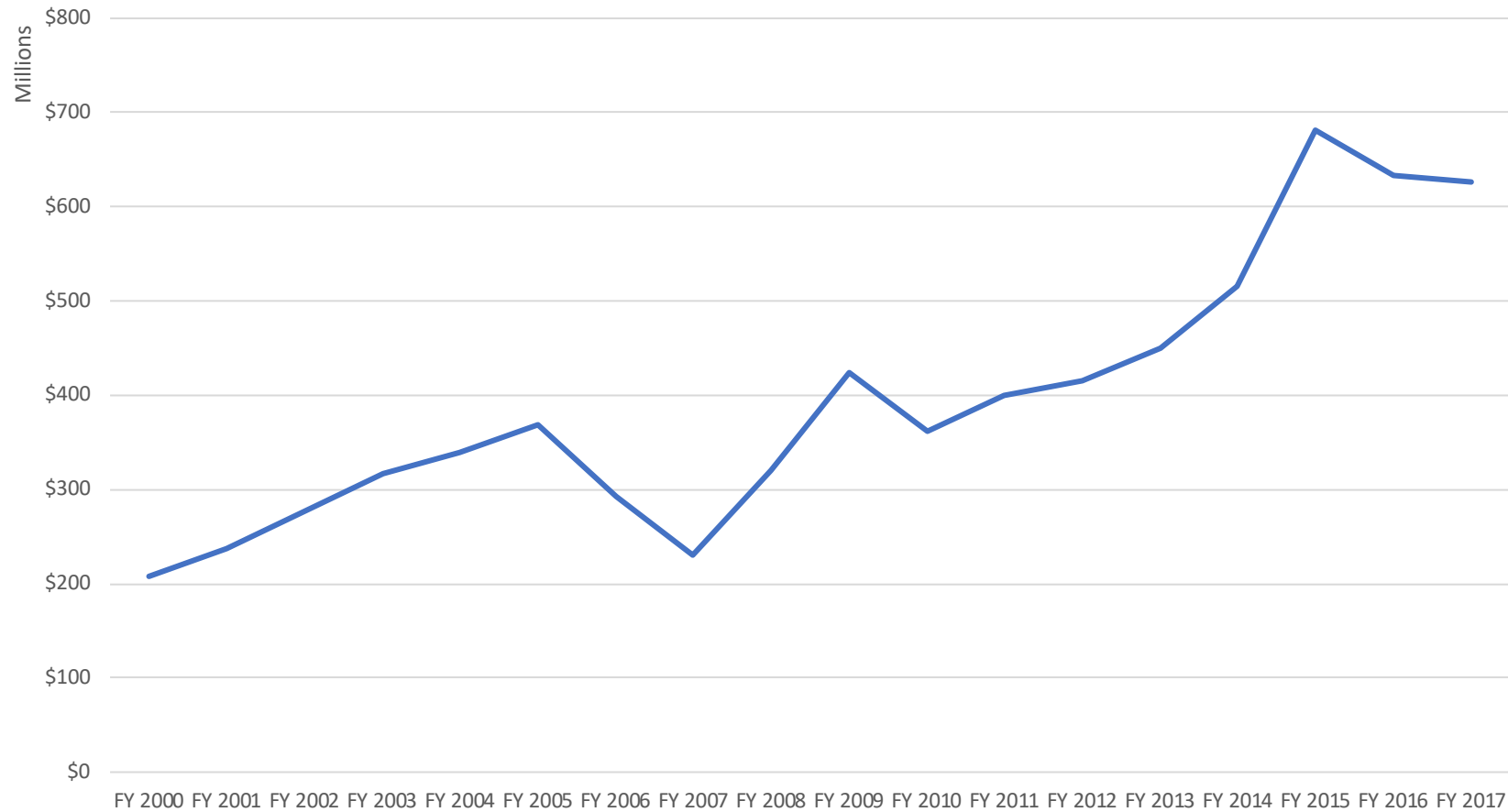
CT Medicaid pharmacy spending, rebates



Key Findings

Connecticut's Medicaid program covers one in five state residents. Both spending on pharmaceuticals and rebates in the program have risen sharply since 2011.

CT Medicaid pharmacy minus rebates

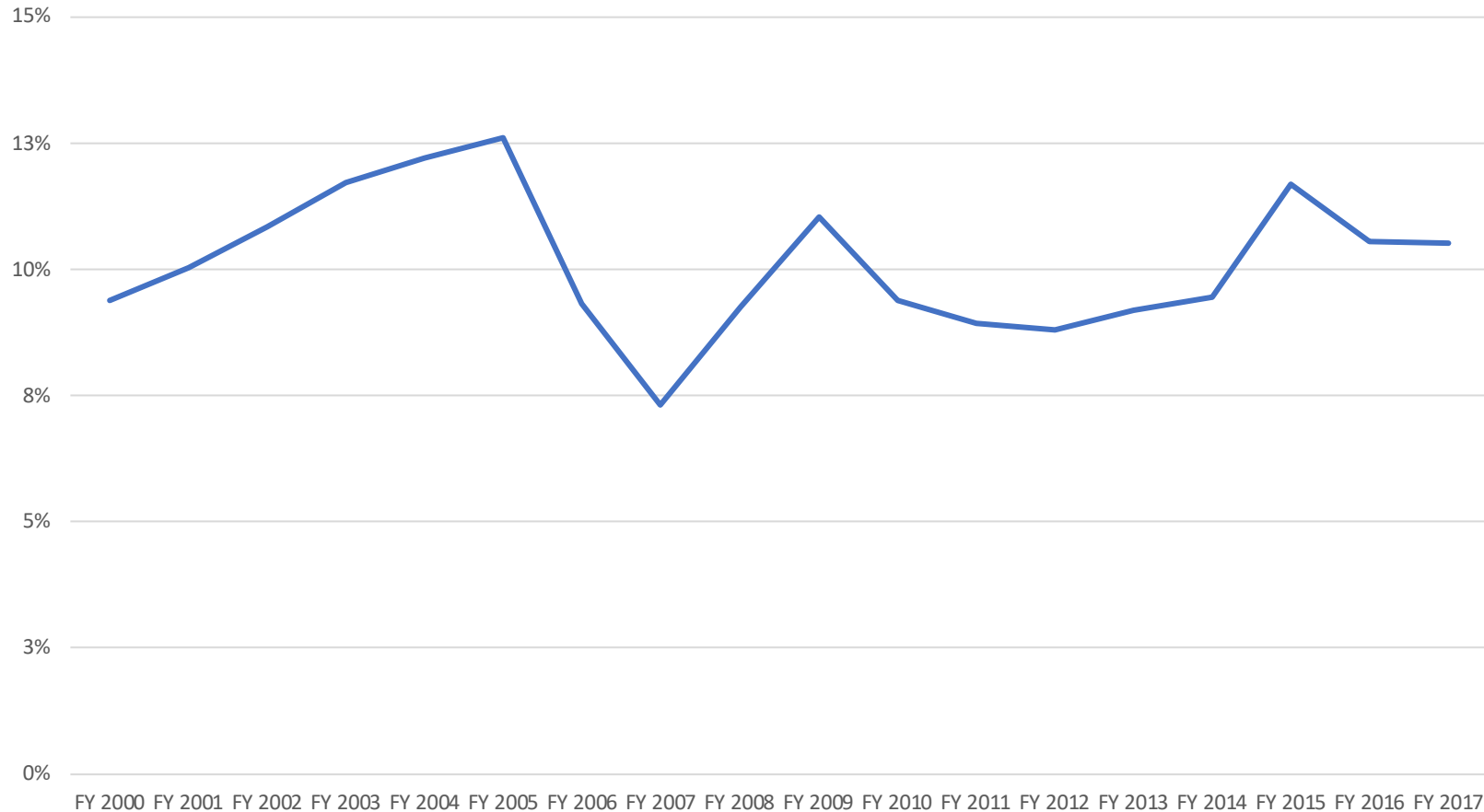


Key Findings

Net pharmacy spending by Connecticut's Medicaid program tripled from 2000 to 2017.

Corrected slide

Pharmacy minus rebates, % of total CT Medicaid



Key Findings

Last year, net pharmacy spending consumed 10.54% of total Connecticut Medicaid spending. That percentage has been stable since 2000 and mirrors other payers and programs.

Corrected slide



Sources:

National Health Expenditure Data, cms.gov

Comprehensive Financial Status Reports, CT Department of Social Services

Connecticut Office of State Comptroller

Connecticut Insurance Department

Connecticut Health Policy Project

www.cthealthpolicy.org

@cthealthnotes

Phone 203-427-8242