Impact of H.R. 3 Fair Drug Price Negotiation and Inflation Rebates on Key Stakeholders in the Commercial Health Insurance Market

Commissioned by the West Health Policy Center

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Overview

On Dec 12, 2019 the "Elijah E. Cummings Lower Drug Costs Now Act [1]" was passed by the United States House of Representatives. This Act, also known as H.R. 3, seeks to implement large scale drug price reforms. Revisions to H.R. 3, which was reintroduced in the U.S. House of Representatives in April 2021, were not considered in the analysis. While the initial emphasis of the bill was to lower drug costs in the Medicare program, several provisions in H.R. 3 have financial implications that would extend into other areas of healthcare spending.

H.R. 3 is composed of the following eight provisions:

TITLE I--LOWERING PRICES THROUGH FAIR DRUG PRICE NEGOTIATION

TITLE II--MEDICARE PARTS B AND D PRESCRIPTION DRUG INFLATION REBATES

TITLE III--PART D IMPROVEMENTS AND MAXIMUM OUT-OF-POCKET CAP FOR MEDICARE BENEFICIARIES

TITLE IV--DRUG PRICE TRANSPARENCY

TITLE V--PROGRAM IMPROVEMENTS FOR MEDICARE LOW-INCOME BENEFICIARIES

TITLE VI--PROVIDING FOR DENTAL, VISION, AND HEARING COVERAGE UNDER THE MEDICARE PROGRAM

TITLE VII--NIH, FDA, AND OPIOIDS FUNDING

TITLE VIII--MISCELLANEOUS

These provisions seek to impact the prescription drug market through a number of different channels. The Act's provisions focus on reducing prescription drug costs, increasing coverage eligibility, lowering member out of pocket spending, and increasing prescription drug price transparency, along with a number of other health care program revisions.

This paper focuses on the two provisions which most directly impact the prices of prescription drugs, Title I and Title II. Title I is commonly referred to as the "fair drug price negotiation" provision. Under this provision, the average manufacturer prices for the highest cost single source brand drugs in the US are to be negotiated directly between the Secretary of the US Department of Health and Human Services and the manufacturers. Beginning with the 2023 plan year, and then annually thereafter, a list of pre-selected negotiation eligible drugs would be required to be offered at the new agreed upon rate. Under Title II of H.R. 3 (referred to as the "inflation rebates" provision), if the annual price increase of a single source brand drug is higher than inflation, as measured by the consumer price index for all urban consumers (CPI-U) indexed to January 2016, the manufacturer would be required to repay the difference as a rebate back to the federal government.

The negotiated drug prices under Title I would be available to both the commercial and Medicare markets. However, Title II would only affect drug price increases in the Medicare market. The West Health Policy Center engaged Milliman to analyze the financial impacts on stakeholders in the commercial insurance market if either 1) all aspects of both provisions in H.R. 3 were to apply to the commercial market, or 2) H.R. 3 is rolled out as written but manufacturers take certain pricing actions that would affect the commercial market in an attempt to counteract some of the adverse impacts from H.R. 3 in the Medicare market.

Our analysis measures the potential impacts as the annual change in total healthcare claims cost caused by the changes in drug expenditures as a result of H.R. 3. Our work estimates the effect of these changes to the federal government and the end consumer. Impacts to manufacturers were calculated as the combined net savings (or cost increases) to these two stakeholders. Furthermore, as is generally done in the pricing of commercial insurance products, the impact of these provisions on retail pharmacies and health insurance carriers will likely be passed on as either increases or decreases in premium, since future changes in base costs are generally included in premium development. Therefore, because of this pass-through approach, the impact to retail pharmacies and insurance carriers can be assumed to be minimal and is therefore not included in our analysis.

[1] https://www.congress.gov/bill/116th-congress/house-bill/3/

Lastly, while our core analysis projects a baseline impact of H.R. 3 holding manufacturer rebates constant, in practice the level of manufacturer rebates may very well change as a result of these provisions. Accordingly, we have included a scenario in which manufacturers re-negotiate to lower drug-specific rebate arrangements with payers in proportion to the reduction in drug expenditures. While this scenario recognizes this potential re-negotiation of rebates, the final net impact on manufacturers and other stakeholders will depend on the actual terms re-negotiated between manufacturers and payers.

Results

We analyze two distinct scenarios regarding H.R. 3:

1) Scenario A assumes that all Title I and II provisions are extended to the commercial insurance market.

2) Scenario B assumes that H.R. 3 is rolled out with the resulting drug prices of negotiated drugs under Title I applying to the commercial insurance and Medicare markets. However, the inflationary rebate provisions of Title II would only apply to the Medicare market.

As all drugs would be subject to inflationary rebates under Scenario A, manufacturers might be indifferent between raising their drug prices and limiting their drug price increases in order to avoid paying rebates back to the federal government. By contrast, manufacturers could have an incentive under Scenario B to raise drug prices if returns in the commercial market can at least offset any resulting rebates in Medicare. Manufacturers may face pressures from insurers and employer groups that may limit price increases from the level shown in scenario B; however, we projected the results of manufacturers' attempts at recovering lost Medicare revenue due to Title II of H.R. 3 to show the range of possibilities that could occur. This paper explores the potential impacts on the commercial insured market costs under these two distinct market dynamics, as compared to projected costs in the absence of H.R. 3.

Projected Impact on Total Commercial Market Claims Cost

At the request of West Health Policy Center, for each scenario we performed a 7-year cost projection from 2023, the first year of fair price negotiation and inflationary rebates applicability, to 2029. In addition, we performed a projection for the same 7-year period based on current rules in order to create a baseline for our analysis. Exhibit 1A shows the estimated change in healthcare costs (medical and pharmacy) on an allowed basis resulting from each of the Title I negotiation and Title II inflationary adjustment provisions by scenario as described above. Allowed costs are defined as the combined costs paid by payer and member.

The values shown for each year represent the percentage difference from our baseline projections for the given year. The amounts displayed under the 2023-2029 header contain the average annual percentage change from the baseline projection across the entire 7-year projection period. The results in Exhibit 1A are representative of the entire commercial insurance market, including individual, small group and large group lines of business. In our analysis 85% of average manufacturer price (AMP) was the basis for Title I negotiated prices. See the Methodology section of this report for further details.

As shown in Exhibit 1A, Title I savings increase each year between 2023 and 2026 as a result of additional drugs qualifying for fair price negotiation in our modeling for each of these first four years. Savings continue past 2026 as prices negotiated in previous years continue to have an impact in the ensuing years. In addition, these Title I savings continue to increase each year through 2029 as Title I negotiated drug increases are capped at CPI-U for subsequent years following negotiation.

Under Scenario A, Title II projected cost reductions reflect the savings due to the inflationary rebate provisions extended to commercial insurance, for drugs not selected for negotiation under Title I. The amounts shown under Title II reflect the savings realized from limiting year over year drug price increases to CPI-U trend for these drugs. Conversely, inflation-related savings for selected drugs are captured under Title I.

EXHIBIT 1A: ESTIMATED CHANGES IN COMMERCIAL MARKET CLAIMS COST BY YEAR (TOTAL MEDICAL AND DRUG)

SCENARIO A - H.R. 3 PROVISIONS ARE EXTENDED TO COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I	-2.0%	-3.8%	-5.0%	-5.6%	-6.1%	-6.5%	-6.9%	-5.3%
Title II	-4.0%	-3.5%	-3.4%	-3.5%	-3.9%	-4.2%	-4.6%	-3.9%
Total	-6.0%	-7.3%	-8.3%	-9.2%	-9.9%	-10.7%	-11.5%	-9.2%

SCENARIO B - H.R. 3 WITH OFFSETTING INCREASES IN COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I	-2.0%	-3.8%	-5.0%	-5.6%	-6.1%	-6.5%	-6.9%	-5.3%
Title II	2.1%	1.9%	1.8%	1.9%	2.2%	2.5%	2.7%	2.2%
Total	0.1%	-1.9%	-3.2%	-3.7%	-3.9%	-4.0%	-4.2%	-3.1%

As shown in Exhibit 1A above, the savings from Title II decrease in the early years of our projections, 2023-2025, as additional high cost drugs are selected for Title I negotiation.

The impact of this savings "re-bucketing" is lessened over time after a sufficient number of high cost drugs have been selected for negotiation. Beginning in 2026, the final negotiation year in our model, the movement of savings to Title I is not enough to offset the inflation-related savings on the remaining non-negotiated drugs. Title II savings continue to increase slightly each year from 2026 through 2029 as inflationary rebate provisions compound over time.

Scenario B assumes that H.R. 3 would be rolled out with Title II protections limited to the Medicare market. As a plausible reaction to Title II protections in the Medicare market, we modeled the potential market dynamics that could take place if manufacturers increased their prices in order to generate enough revenue in the commercial insurance market to offset any rebates paid in Medicare as a result of Title II inflationary rebates.

Similar to Scenario A, Title II increases decline in years 2023 – 2025 as spending on negotiated drugs is shifted to Title I. Beginning 2026, the drug prices on the stabilized pool of drugs impacted by inflationary rebates increases each year through 2029 as a result of the compounded increase to trend on these remaining non-negotiated drugs.

Exhibit 1B below shows the 2026 projected allowed drug spend and the corresponding cost distribution by generic status after the final year of Title I drug negotiation. All drugs subject to Title I negotiations are selected, and non-selected drugs make up the remainder of the market. The costs shown are allowed amounts on a per member per month basis.

Selected drugs represent just under half of total allowed drug spend (46%), and slightly greater than half of all single-source brand spend (non-selected single-source brand and selected drugs) in our baseline projection. Prices for all drugs in the baseline projection have been increased using standard industry drug trends determined by Milliman.

The results for Scenario A and Scenario B below show the projected expenditures after Title I negotiation as well as the impact of Title II rebates. Scenario A reflects additional savings to single-source brand drugs, as it assumes Title II applies to the commercial market. Conversely, Scenario B shows increased costs to single-source brand drugs, as it assumes that Title II does not apply to the commercial market, and our modeling includes additional trend on these non-selected drugs. However, as in Scenario A, total drug expenditures under Scenario B decrease overall, as the increase in single-source brand drugs in the commercial market is less than the Title I savings on selected drugs.

EXHIBIT 1B: PRESCRIPTION DRUG ALLOWED PMPM BY TIER FOR CY2026

	ALLOWED PMPM			COST DISTRIBUTION		
	BASELINE	SCENARIO A	SCENARIO B	BASELINE	SCENARIO A	SCENARIO B
Generic	$24.83	$24.75	$24.75	10%	15%	12%
Single-source brand	$101.24	$72.10	$117.58	42%	43%	55%
Multi-source brand	$4.27	$4.23	$4.23	2%	3%	2%
Selected drugs	$112.99	$65.97	$65.97	46%	39%	31%
Total	$243.33	$167.06	$212.57	100%	100%	100%

Projected Impact on Commercial Market Net Plan and Net Member Costs

Impacts on costs can also be expected to vary based on the benefit richness of a given plan design. Plan benefit richness is generally measured as the ratio of a plan's payments to total allowed costs for that plan. The Affordable Care Act (ACA) establishes an Actuarial Value meant for the standardized measurement of a plan's benefit richness. Plans are stratified across four distinct metallic levels based on their Actuarial Value. For the next part of our analysis, we modeled plan benefit levels and associated member cost sharing consistent with ACA metallic tiers. Projected allowed costs were broken out between consumer cost sharing and net plan costs separately for each unique plan level. Using the different levels of benefit richness, we obtained a range of projected net plan and member cost amounts. Assuming a consistent medical loss ratio over time, commercial market plans could expect average premium decreases or increases to follow closely with net plan paid amounts. A given carrier's increase will largely depend on its specific circumstances, and Exhibit 2A should not be used to forecast a given plan's anticipated impacts from the implementation of H.R. 3.

EXHIBIT 2A: ESTIMATED CHANGES IN COMMERCIAL MARKET NET PLAN COSTS BY YEAR

SCENARIO A - H.R. 3 PROVISIONS ARE EXTENDED TO COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I - Min	-2.5%	-4.7%	-6.1%	-6.9%	-7.4%	-7.9%	-8.4%	-6.5%
Title I - Max	-2.0%	-3.8%	-5.0%	-5.7%	-6.1%	-6.6%	-7.0%	-5.4%
Title II - Min	-5.2%	-4.7%	-4.5%	-4.8%	-5.2%	-5.6%	-6.0%	-5.2%
Title II - Max	-4.1%	-3.6%	-3.4%	-3.6%	-3.9%	-4.3%	-4.6%	-3.9%
H.R. 3 - Min	-7.6%	-9.1%	-10.4%	-11.4%	-12.3%	-13.2%	-14.1%	-11.5%
H.R. 3 - Max	-6.1%	-7.4%	-8.4%	-9.3%	-10.0%	-10.8%	-11.6%	-9.3%

SCENARIO B - H.R. 3 WITH OFFSETTING INCREASES IN COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I - Min	-2.5%	-4.7%	-6.1%	-6.9%	-7.4%	-7.9%	-8.4%	-6.5%
Title I - Max	-2.0%	-3.8%	-5.0%	-5.7%	-6.1%	-6.6%	-7.0%	-5.4%
Title II - Min	2.1%	1.9%	1.8%	2.0%	2.2%	2.5%	2.8%	2.2%
Title II - Max	2.6%	2.3%	2.2%	2.4%	2.7%	3.0%	3.3%	2.7%
H.R. 3 - Min	0.1%	-2.4%	-3.9%	-4.6%	-4.8%	-4.9%	-5.1%	-3.9%
H.R. 3 - Max	0.2%	-2.0%	-3.2%	-3.7%	-3.9%	-4.1%	-4.2%	-3.2%

Exhibit 2A details the projected impacts of Titles I and II on net plan costs for Scenarios A and B. We again show the results of our projections as a percentage change over our baseline projections representing the current environment. The minimum and maximum ranges in Exhibit 2A were obtained by modeling the impacts of Titles I and II on plans of varying benefit richness following the approach outlined above. The results in Exhibit 2A are representative of the entire commercial insurance market, including individual, small group and large group lines of business. Please see the Methodology section of this report for further details.

As expected, the results of net plan cost changes per year track closely with the changes in allowed costs spend. Under Scenario A, we observe net plan cost reductions due to both Title I and Title II provisions, with the majority of spending decreases realized through the negotiated drug pricing under Title I. This again is due to Title I drugs comprising a significant portion of total drug spend.

Consistent with Exhibit 1A, we again observe increased Title II costs under Scenario B due to the increase in manufacturer prices as an attempt to offset any rebates paid in Medicare. However, Title I decreases under scenario B continue to track closely with Scenario A as the allowed savings from drug negotiation are largely passed on to net claims spend.

Exhibit 2B details the projected impacts of Titles I and II on net member cost sharing for Scenarios A and B. Similar to Exhibit 2A, results are shown as a percentage change over our baseline projections. The minimum and maximum ranges in Exhibit 2B were obtained by modeling the impacts of Titles I and II using the same selection of plans of varying benefit richness outlined above. The results in Exhibit 2B are representative of the entire commercial insurance market, including individual, small group and large group lines of business. Please see the Methodology section of this report for further details.

Although the impacts on member cost sharing are directionally consistent with allowed dollar and net plan paid amounts projections, the projected impacts on member cost sharing are less significant across both Title I and II for both scenarios. This is generally due to plan design elements that limit the amount of member responsibility, including deductibles, copays and member out of pocket maximums (MOOP) that cap the annual dollar outlay of members with large claims.

Accordingly, plans with higher benefit richness levels had lower projected member impacts due to lower member cost sharing and MOOP limits. Still, even members enrolled in plans with leaner benefits can be expected to experience impacts on their costs of lower magnitude than corresponding net plan paid amounts.

EXHIBIT 2B: ESTIMATED CHANGES IN COMMERCIAL MARKET MEMBER COSTS BY YEAR

SCENARIO A - H.R. 3 PROVISIONS ARE EXTENDED TO COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I - Min	-1.0%	-2.2%	-2.9%	-3.3%	-3.4%	-3.6%	-3.7%	-2.9%
Title I - Max	0.0%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
Title II - Min	-1.4%	-0.8%	-0.5%	-0.4%	-0.4%	-0.5%	-0.5%	-0.6%
Title II - Max	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
H.R. 3 - Min	-2.4%	-3.0%	-3.3%	-3.6%	-3.8%	-4.0%	-4.3%	-3.6%
H.R. 3 - Max	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%

SCENARIO B - H.R. 3 WITH OFFSETTING INCREASES IN COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I - Min	-1.1%	-2.4%	-3.1%	-3.4%	-3.6%	-3.8%	-4.0%	-3.1%
Title I - Max	0.0%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
Title II - Min	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Title II - Max	1.3%	1.5%	1.6%	1.8%	1.9%	2.1%	2.2%	1.8%
H.R. 3 - Min	0.0%	-0.9%	-1.4%	-1.7%	-1.7%	-1.7%	-1.8%	-1.3%
H.R. 3 - Max	0.2%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%

Projected Impact on Affordable Care Act Market Stakeholders

The third part of our analysis sought to understand the potential financial impacts of H.R. 3 on the following three key stakeholders:

- Plan Member – Impact to end consumers was grouped into two categories: the savings (or increases) to member cost sharing, and the savings (or increases) to member premium.
- Federal Government – Savings to the federal government from H.R. 3 would be realized through decreases in the portion of member premium that is paid through Advance Premium Tax Credits[2] (APTC) in the individual Affordable Care Act marketplaces.
- Drug Manufacturer – The impact to drug manufacturers reflects the total change in costs of single source brand drugs due to the provisions of Title I and Title II. Consistent with changes to member and federal government spending, negative values in the table represent lower drug spending while amounts greater than zero reflect increased costs due to H.R. 3. However, while negative values should be interpreted as savings to the consumer or government, they are illustrative of losses to the manufacturer due to decreased sales revenue.

Our stakeholder analysis, as shown in Exhibits 3A and 3B below, focused only on impacts in Affordable Care Act compliant small group and individual markets. The lowered drug acquisition costs paid to the manufacturers equal the combined savings for both plan member and federal government. The results of our analysis are outlined in Exhibit 3A. The amounts displayed under the 2023-2029 header contain the cumulative dollar change from the baseline projection across the entire 7-year projection period. The financial impact by year broken out by Title I and II is included in Appendix A. Please see the Methodology section of this report for further details.

While end consumers are generally responsible for the majority of plan premium, and thus realize the most premium savings overall, the federal government pays a significant portion of member premium in the individual marketplaces. Also, as shown in the table and outlined above, the impact to the manufacturer represents the combined total spending increases or decreases across both plan members and the federal government. The resulting commercial market impact of H.R. 3 for each stakeholder is summarized below for scenarios A and B.

Under Scenario A plan members would expect lower out of pocket cost sharing and lower monthly premiums due to both Title I and Title II. As a result of lowered prescription drug spending, end consumers' savings will vary between cost sharing

[2] https://www.healthcare.gov/glossary/advanced-premium-tax-credit/

and member premium based on the richness of their selected plan and their actual prescription drug usage. As the exhibit shows, most of the projected savings for members would be realized through lower premiums. Similarly, the federal government should expect APTC premium subsidies to be lower due to both Title I and Title II. The federal government should expect reduced spending consistent with reductions in Affordable Care Act (ACA) silver plan premiums, which are the basis of APTC payment amounts. Drug manufacturers should expect lowered drug expenditures to lead to lowered revenues from both Title II inflationary rebates and as a result of Title I drug price negotiation.

EXHIBIT 3A: AFFORDABLE CARE ACT MARKETS FINANCIAL IMPACT BY YEAR*

SCENARIO A - H.R. 3 PROVISIONS ARE EXTENDED TO COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Member Cost Share	(466)	(632)	(745)	(849)	(949)	(1,055)	(1,168)	(5,864)
Member Premium	(9,078)	(12,026)	(14,805)	(17,599)	(20,589)	(23,983)	(27,818)	(125,898)
Federal Government	(5,408)	(7,361)	(9,106)	(10,872)	(12,777)	(14,940)	(17,395)	(77,859)
Manufacturer	(14,953)	(20,018)	(24,656)	(29,320)	(34,314)	(39,977)	(46,381)	(209,621)

***VALUES IN MILLIONS, EXCLUDES LARGE GROUP MARKET**

SCENARIO B - H.R. 3 WITH OFFSETTING INCREASES IN COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Member Cost Share	53	(206)	(329)	(400)	(431)	(463)	(494)	(2,270)
Member Premium	187	(3,167)	(5,591)	(7,081)	(7,980)	(8,991)	(10,124)	(42,747)
Federal Government	111	(1,944)	(3,438)	(4,372)	(4,948)	(5,597)	(6,326)	(26,515)
Manufacturer	350	(5,317)	(9,358)	(11,853)	(13,359)	(15,051)	(16,944)	(71,532)

***VALUES IN MILLIONS, EXCLUDES LARGE GROUP MARKET**

Under Scenario B, each stakeholder would see reductions in spending resulting from Title I negotiation, with identical impact to manufactures and savings across all other groups redistributed to reflect the effect of Title II drug spend differences. However, under Title II total expenditures would be expected to increase due to manufacturers' ability to increase costs of non-negotiated drugs in anticipation of future H.R. 3 losses. Members should expect both cost sharing and plan premium to increase as a result of Title II price increases. Likewise, the federal government should expect its share of plan premiums to increase due to Title II.

However, while overall increases from Title II are projected to outpace price negotiation savings in the first year after implementation, the long-term impacts under Scenario B should still lead to lower net spending beginning in 2024 for the federal government and end consumer. Similarly, while the initial price increases to non-negotiated drugs should lead to increased manufacturer revenue in 2023, drug manufacturers should expect overall reductions, beginning in 2024 in our projections, as additional drug prices are lowered through negotiations.

In Exhibit 3B below we have included the results of our financial impact analysis converted to per member per year values. The amounts displayed under the 2023-2029 header contain the average per member per year impact across the entire 7-year projection period. The per member per year financial impact broken out by Title I and II is included in Appendix A.

EXHIBIT 3B: AFFORDABLE CARE ACT MARKETS FINANCIAL IMPACT PER MEMBER PER YEAR*

SCENARIO A - H.R. 3 PROVISIONS ARE EXTENDED TO COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Member Cost Share	(15.20)	(20.08)	(23.48)	(26.55)	(29.45)	(32.49)	(35.68)	(26.26)
Member Premium	(295.90)	(381.97)	(466.47)	(550.37)	(639.10)	(738.64)	(850.09)	(563.84)
Federal Government	(176.30)	(233.79)	(286.90)	(340.01)	(396.60)	(460.13)	(531.58)	(348.70)
Manufacturer	(487.39)	(635.84)	(776.85)	(916.93)	(1,065.15)	(1,231.26)	(1,417.34)	(938.80)

***EXCLUDES LARGE GROUP MARKET**

SCENARIO B - H.R. 3 WITH OFFSETTING INCREASES IN COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Member Cost Share	1.72	(6.53)	(10.37)	(12.50)	(13.38)	(14.26)	(15.10)	(10.17)
Member Premium	6.10	(100.60)	(176.15)	(221.46)	(247.69)	(276.91)	(309.38)	(191.45)
Federal Government	3.60	(61.75)	(108.32)	(136.73)	(153.60)	(172.37)	(193.31)	(118.75)
Manufacturer	11.42	(168.89)	(294.85)	(370.68)	(414.68)	(463.54)	(517.80)	(320.36)

***EXCLUDES LARGE GROUP MARKET**

Projected Impact of Manufacturer Rebates

The calculations in each of the prior sections reflect the impact on drug expenditures, and corresponding stakeholders, from the lowered list prices through Title I negotiation and changes in net spend after Title II inflationary rebates. In practice drug companies may re-negotiate manufacturer rebate dollars to partially offset the impact of these two H.R. 3 provisions. In addition, for brand drugs selected for Title I negotiation, manufacturer rebates might be proportionally lowered if they are valued as a fixed percentage of the drug's wholesale acquisition cost (WAC), which could decrease with the negotiation. We approximated the impact of these potential rebate re-negotiations by assuming that the proportion of pharmacy spending comprised of manufacturer rebates would remain unchanged despite H.R. 3.

EXHIBIT 4A: ESTIMATED CHANGES IN COMMERCIAL MARKET CLAIMS COST BY YEAR AFTER MANUFACTURER REBATES

SCENARIO A - H.R. 3 PROVISIONS ARE EXTENDED TO COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I	-1.6%	-3.0%	-4.0%	-4.5%	-4.9%	-5.2%	-5.6%	-4.3%
Title II	-3.2%	-2.8%	-2.7%	-2.8%	-3.1%	-3.4%	-3.7%	-3.1%
Total	-4.8%	-5.9%	-6.7%	-7.4%	-8.0%	-8.6%	-9.2%	-7.4%

SCENARIO B - H.R. 3 WITH OFFSETTING INCREASES IN COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I	-1.6%	-3.0%	-4.0%	-4.5%	-4.9%	-5.2%	-5.6%	-4.3%
Title II	1.7%	1.5%	1.4%	1.6%	1.8%	2.0%	2.2%	1.8%
Total	0.1%	-1.6%	-2.5%	-3.0%	-3.1%	-3.2%	-3.4%	-2.5%

Specifically, we calculated an average commercial manufacturer rebate for single source brand drugs of 19.5% of allowed costs. We applied this average rebate percentage as an offset to the total manufacturer financial impacts calculated in Exhibits 1A and 3A. The results of these calculations are shown in Exhibits 4A and 4B, respectively.

Exhibit 4A above shows the estimated changes in commercial market claim costs per year for each scenario after accounting for the offsetting reduction in manufacturer rebates. As expected, the results in Exhibit 4A are directionally consistent with Exhibit 1A, with reduced percentage impacts under each scenario for both Title I and II reflective of the offsets from the changes to projected manufacturer rebates. By re-negotiating rebates on the drug spend after Title I and Title II impacts, manufacturers may be able to offset a material amount of the impact of H.R. 3.

Similarly, Exhibit 4B below shows the total net financial impact to the manufacturer after reflecting the 19.5% reduction due to lowered rebates. Scenario A shows spending decreases under both Title I and Title II across all years in our projection. Under Scenario B increases due to Title II are less impactful than the Title I reductions beginning in 2024. This leads to a net decrease in spending in all years other than 2023, as well as in aggregate across 2023-2029. Please see the Methodology section of this report for further details.

EXHIBIT 4B: AFFORDABLE CARE ACT MARKETS FINANCIAL IMPACT AFTER MANUFACTURER REBATES BY YEAR*

SCENARIO A - H.R. 3 PROVISIONS ARE EXTENDED TO COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I	(3,922)	(8,367)	(11,817)	(14,519)	(16,850)	(19,511)	(22,539)	(97,523)
Title II	(8,111)	(7,742)	(8,025)	(9,076)	(10,764)	(12,661)	(14,786)	(71,166)
Total	(12,033)	(16,110)	(19,842)	(23,595)	(27,614)	(32,171)	(37,325)	(168,689)

SCENARIO B - H.R. 3 WITH OFFSETTING INCREASES IN COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I	(3,922)	(8,367)	(11,817)	(14,519)	(16,850)	(19,511)	(22,539)	(97,523)
Title II	4,204	4,088	4,286	4,980	6,099	7,399	8,903	39,959
Total	282	(4,279)	(7,531)	(9,539)	(10,751)	(12,112)	(13,636)	(57,565)

*** VALUES IN MILLIONS, EXCLUDES LARGE GROUP MARKET**

Methodology

Milliman's proprietary Consolidated Health Sources Database (CHSD) of commercial group plans was used as the basis for the calculation of the allowed cost projections. This database includes enrollees in both large group, as well as small group ACA plans with prescription drug coverage, consisting of approximately 18 million member lives in calendar year 2018.

TITLE I DRUGS NEGOTIATION

Our first task in the evaluation of the potential impact of Title I was to develop the list of drugs subject to negotiation. We used annual spend during 2018 calendar year as the basis for our selection criteria. Although new brand drugs will continue to enter the drug pipeline, and generic equivalents will become available as other brand drugs lose their patent over the course of our study, our selection was exclusively based on drug data from 2018. Consistent with the claims data used to identify the high cost negotiation eligible drugs, 2018 claims data was also used as the base period for our projections as described in further detail below.

Following the guidelines for Title I in H.R. 3, we identified the 125 highest cost drugs for the Medicare Part D market along with the 125 highest cost drugs across all markets. Due to the brand drug pipeline, generic equivalents, as well as the impact of Title I negotiations, it is certain that additional drugs beyond these lists will become eligible for negotiation within the years included in our study. The identification of these additional drugs was outside of the scope of our analysis. Accordingly, our Title I projections were based on the above two lists of 125 high cost drugs as a representative sample of negotiation eligible drugs.

A combination of data sources was utilized to identify our 2018 aggregate drug spend. For Medicare Part B and Medicare Part D and Medicaid, we used the national drug spend dashboards published on cms.gov[3]. For commercial large group, small group, and individual plans we identified drugs based on Milliman's proprietary Consolidated Health Services Database (CHSD) database. We then scaled these results to nationwide totals based on percentage of national statistics represented in the Milliman datasets for each market.

Each drug included in both the CMS.gov dashboards and Milliman's proprietary databases was mapped to corresponding Medi-Span 10-character Generic Product Identifier[4] (GPI10) in order to combine drug spend across various doses, forms, and strengths. We further mapped these results to Medi-Span brand/generic indicators (MONY codes) in order to identify single source brand drugs eligible for negotiation. The final two tables containing the top 125 Part D drugs and the top 125 drugs across all markets are included in Appendix B. We identified 162 unique drugs for repricing across both lists. Finally, drugs with GPI 6 indicators equal to "271040" were added to our lists, as insulin drugs are automatically included under Title I in addition to the identified 162 highest spend drugs.

Using the Milliman proprietary Claims Simulation Model (CSM), allowed drug spending was repriced for each of the drugs identified on a seriatim basis. Under Title I of H.R. 3, the maximum fair price for drug negotiation should be based on the average international market price (AIM) of the selected drug. Because reliable (AIM) data was not available, as outlined in H.R. 3, we repriced applicable drugs to 85% of the drug's average manufacturer price (AMP) assuming each manufacturer would agree to the maximum allowed negotiated price when AIM data is unavailable. We assumed that manufacturers in our sample claims dataset were currently paid at 100% of the drug's wholesale acquisition cost (WAC). In order to convert a negotiated price equivalent to 85% AMP, we first calculated AMP as a percentage of WAC. As actual AMP values are not published, we used publicly available National Average Drug Acquisition Cost[5] (NADAC) values as a proxy for AMP in our calculations. NADAC values are used by the Centers for Medicare and Medicaid Services (CMS) to report pharmacy acquisition costs in the Medicaid program to the US Congress and are a comparable record of the average price paid per drug during a given time period. The results of these calculations showed AMP as equivalent to 98% WAC. This conversion rate was then used to calculate the Title I negotiated rates included in our seriatim repricing. To the extent that AIM negotiated rates are lower than 85% of AMP, the impact of Title I could be greater.

For each year in our projections, we selected an increasing sample of drugs for negotiation. Beginning with 2023, the first year in our projections and first year of Title I price negotiation, we selected the top 25 drugs from our combined Part D and Total drug spend lists. For subsequent years 2024, 2025, and 2026 we selected the top 75, 125, and 162 drugs respectively, as well as all insulin drugs beginning in 2023. Although our subsequent year selections were still based on 2018 as the index year, the additional pool of selected drugs are representative of the increasing share of total drug spend subject to Title I negotiation in each following year. Title I savings reflect the difference between the baseline projection and the negotiation adjusted allowed and net paid amounts trended at CPI-U for the selected drugs.

[3] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Information-on-Prescription-Drugs/
[4] https://www.wolterskluwercdi.com/drug-data/gpi/
[5] https://data.medicaid.gov/Drug-Pricing-and-Payment/NADAC-National-Average-Drug-Acquisition-Cost-/a4y5-998d

TITLE II INFLATION REBATES

In modeling the impact of Title II, we considered two scenarios relating to potential manufacturer behavior resulting from the passage of H.R. 3. As previously discussed, Scenario A represents the implementation of all H.R. 3 provisions on the commercial insurance market. Title II results under this scenario were modeled using a consistently compounded allowed brand trend equal to the average CPI-U trend beginning from the 2016 benchmark year. For our modeling we calculated this trend to be approximately 2.2% per year.

Scenario B represents the implementation of H.R. 3 as currently written. Under this scenario, Title II is not applicable in the commercial insurance market. At the request of West Health Policy Center, we modeled manufacturers pursuing a zero-sum impact from Title II rebates across combined Medicare and commercial markets. Using historical prescription drug spend data from the CMS National Healthcare Expenditure[6] (NHE) reports we calculated the equivalent additional trend across all commercial private health insurance (including small group and individual ACA, non-ACA compliant, and large group plans) drug spending that would be required in order to offset losses incurred through Medicare inflationary rebate payments.

To accomplish this, we first calculated the amount of expected Title II rebates refunded to Medicare by projecting Medicare drug claims from the CMS expenditure reports under both Milliman's estimated Medicare Part D trends, consistent with Medicare pricing, as well as at a CPI-U trend of approximately 2.2%. Using the same NHE reports we determined the amount of additional trend required across commercial drug spend to offset the projected rebates paid to Medicare. This calculation resulted in additive increase of 1.8% on top of our base commercial prescription drug trend. This additional trend was applied cumulatively beginning with the 2016 base year across each year of our projections from 2023-2029.

Finally, in projecting the claims under both Scenario A and B, we calculated the impact resulting from Title II adjustments to prescription drug trend, on drugs not subject to Title I high cost drug fair price negotiation in the applicable projection year. Title I savings are separately calculated for the selected drugs as the difference between the baseline projection and the negotiation adjusted allowed and net paid amounts trended at CPI-U. The savings included under Title II are therefore calculated for non-selected drugs as the difference in allowed and net paid amounts projected using default Milliman prescription drug trends, and the resulting cost projections using the CPI-U trend under Scenario A, or the increased prescription drug commercial trend under Scenario B.

STAKEHOLDER ANALYSIS

To calculate our estimated Title I and II stakeholder impacts, 2018 base experience claims were projected to each year under study using utilization and unit cost trends consistent with trends developed by Milliman using internal studies. The Claim Simulation Model adjudicates these claims on a seriatim basis using each metallic plans' unique benefit design. The impacts of Title I and Title II on single source brand negotiated prices and cost trend for single source brand drugs, and insulin, are measured as the change in total covered medical costs, including pharmacy. This is because plan deductibles and member out of pocket maximums generally apply to both medical and pharmacy benefits.

In order to calculate the changes to prescription drug expenditures, Milliman modeled the projected allowed costs of individual and small group commercial plans for each ACA metallic tier, including cost share reduction silver variants. For each of the plan design offerings, our model projects annual costs from 2023 – 2029. Projected costs were broken out between consumer cost sharing and net plan liability separately for each plan level. Using the different levels of benefit richness, we obtained a range of projected net plan savings amounts on a per member per month (PMPM) basis. In order to calculate total aggregate impacts, the PMPM impacts calculated from our projections were multiplied by projected enrollment for each plan type. Projected enrollment by plan was based on membership experience by metallic level obtained from CMS Public Use Files[7] (PUFs) trended at the projected private health insurance enrollment growth rates included in the CMS National Healthcare Expenditure reports[8].

We modeled plan cost sharing, deductibles and member out of pocket maximums using existing plans across the different metallic levels currently in the market as the basis. We then projected these cost sharing levels to the 2023 – 2029 plan years by starting with the 2021 benefit parameters and trending to model years using the historical trends of each benefit component.

Finally, we broke out projected net plan costs between premium paid by the end consumer and premium paid by the federal government through APTCs[9]. From these reports we obtained the average premium amounts before and after APTC payments by metallic tier, along with the number of marketplace members qualifying for APTCs at each level. While APTC payment

[6] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and- Reports/NationalHealthExpendData/NationalHealthAccountsHistorical
[7] https://www.cms.gov/CCIIO/Resources/Data-Resources/marketplace-puf
[8] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected
[9] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products

amounts and eligibility varied in the early years of its inception, it remained consistent across plan years 2018 and 2019. We calculated the federal government's share of marketplace premium using the weighted average ATPC levels across these two years.

DRUG MANUFACTURER REBATES

In order to model the impact of drug manufacturer rebates, we first pulled the total manufacturer rebates and pharmacy spend from the 2018 medical loss ratio (MLR) PUF reports published by CMS[10]. We calculated our estimated allowed dollars from reported incurred claims assuming an average 17.3% member cost share percentage, consistent with our 2023 baseline projection. Next, we calculated the average rebates as a percent of total prescription drug allowed across individual, large group, and small group markets.

Finally, we converted this average to rebates as a percentage of single source brand allowed. We calculated the relativity of rebates as a percentage of allowed spend between single source brand drugs and all prescription drug spend using the "Prescription Drug Rebates and Part D Drug Cost Analysis[11]" report prepared by Milliman and published by AHIP on July 26, 2018. As rebate percentages in this report were calibrated to the direct and indirect remuneration (DIR) percentages in the Medicare Trustees Report[12] for CY 2016, we first recalibrated to the corresponding value for CY 2018, assuming that manufacturer rebates make up 85% of total rebates in the Medicare Trustees report. These calculations resulted in average commercial market manufacturer rebates as a percentage of allowed of 19.5%. We applied this 19.5% average rebate assumption uniformly across all years in our projection.

[10] https://www.cms.gov/CCIIO/Resources/Data-Resources/mlr
[11] https://www.ahip.org/prescription-drug-rebates-and-part-d-drug-costs/
[12] https://www.cms.gov/files/document/2020-medicare-trustees-report.pdf

Caveats

We prepared this work for the specific purpose of providing analysis on the Elijah E. Cummings Lower Drug Costs Now Act (H.R. 3) including scenarios requested by West Health Policy Center. This information should not be used for any other purpose. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work. This work was performed under the existing Consultant Services Agreements with the Gary and Mary West Health Policy Center. Milliman does not endorse any specific policy proposals discussed in this analysis.

In performing this analysis, we relied on public data and other information provided by CMS and other entities as noted throughout the report. We did not audit this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review is outside the scope of this work.

In order to provide the information requested by the West Health Policy Center, we have constructed several projection models. Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience. Models used in the preparation of this work were applied consistent with their intended use.

We do not provide legal advice and recommend that readers consult with legal advisors on legal matters. This report provides objective quantification of potential legislative changes and is not advocating for these changes.

This analysis did not take into account any impact to Medicaid.

Changes in Advance Premium Tax Credits for plan years 2021 and 2022 put in place by the American Rescue Plan of 2021 (ARPA), including any other ARPA provisions, and the potential impacts of these provisions in future years, were not taken into consideration in our analysis.

At the time of this writing little is known about the long-term impacts of the COVID-19 pandemic on US healthcare expenditures. None of the projections included in this report have considered the potential impacts of the COVID-19 pandemic on commercial healthcare expenditures within the years included in this report.

APPENDIX A: Exhibit 3A and 3B Financial Impact by H.R. 3 Title

EXHIBIT 3A: AFFORDABLE CARE ACT MARKETS FINANCIAL IMPACT BY YEAR*

SCENARIO A - H.R. 3 PROVISIONS ARE EXTENDED TO COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I								
Member Cost Share	(178)	(494)	(663)	(785)	(867)	(953)	(1,044)	(4,983)
Member Premium	(2,949)	(6,153)	(8,698)	(10,687)	(12,408)	(14,377)	(16,619)	(71,892)
Federal Government	(1,747)	(3,750)	(5,323)	(6,569)	(7,663)	(8,914)	(10,345)	(44,312)
Manufacturer	(4,873)	(10,398)	(14,684)	(18,041)	(20,938)	(24,245)	(28,008)	(121,187)
Title II								
Member Cost Share	(289)	(138)	(82)	(64)	(82)	(102)	(124)	(881)
Member Premium	(6,129)	(5,872)	(6,108)	(6,911)	(8,181)	(9,606)	(11,199)	(54,006)
Federal Government	(3,661)	(3,610)	(3,783)	(4,303)	(5,114)	(6,026)	(7,050)	(33,547)
Manufacturer	(10,079)	(9,621)	(9,973)	(11,279)	(13,376)	(15,733)	(18,373)	(88,434)

***VALUES IN MILLIONS, EXCLUDES LARGE GROUP MARKET**

SCENARIO B - H.R. 3 WITH OFFSETTING INCREASES IN COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I								
Member Cost Share	(197)	(527)	(702)	(828)	(916)	(1,010)	(1,108)	(5,288)
Member Premium	(2,939)	(6,136)	(8,678)	(10,666)	(12,384)	(14,349)	(16,587)	(71,738)
Federal Government	(1,737)	(3,734)	(5,304)	(6,548)	(7,638)	(8,886)	(10,313)	(44,161)
Manufacturer	(4,873)	(10,398)	(14,684)	(18,041)	(20,938)	(24,245)	(28,008)	(121,187)
Title II								
Member Cost Share	250	322	373	428	485	547	613	3,018
Member Premium	3,126	2,969	3,087	3,584	4,404	5,358	6,463	28,991
Federal Government	1,848	1,790	1,866	2,176	2,690	3,289	3,987	17,646
Manufacturer	5,224	5,080	5,326	6,188	7,579	9,194	11,064	49,655

***VALUES IN MILLIONS, EXCLUDES LARGE GROUP MARKET**

EXHIBIT 3B: AFFORDABLE CARE ACT MARKETS FINANCIAL IMPACT PER MEMBER PER YEAR*

SCENARIO A - H.R. 3 PROVISIONS ARE EXTENDED TO COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I								
Member Cost Share	(5.79)	(15.68)	(20.89)	(24.54)	(26.91)	(29.36)	(31.89)	(22.32)
Member Premium	(96.11)	(195.45)	(274.04)	(334.23)	(385.17)	(442.80)	(507.86)	(321.97)
Federal Government	(56.95)	(119.12)	(167.72)	(205.44)	(237.86)	(274.55)	(316.13)	(198.46)
Manufacturer	(158.85)	(330.25)	(462.64)	(564.21)	(649.94)	(746.71)	(855.89)	(542.74)
Title II								
Member Cost Share	(9.41)	(4.39)	(2.59)	(2.01)	(2.54)	(3.13)	(3.79)	(3.95)
Member Premium	(199.79)	(186.52)	(192.43)	(216.14)	(253.93)	(295.84)	(342.23)	(241.87)
Federal Government	(119.34)	(114.67)	(119.18)	(134.57)	(158.73)	(185.58)	(215.44)	(150.24)
Manufacturer	(328.54)	(305.59)	(314.21)	(352.72)	(415.21)	(484.55)	(561.46)	(396.06)

***EXCLUDES LARGE GROUP MARKET**

SCENARIO B - H.R. 3 WITH OFFSETTING INCREASES IN COMMERCIAL INSURANCE MARKET

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Title I								
Member Cost Share	(6.43)	(16.75)	(22.12)	(25.88)	(28.44)	(31.10)	(33.84)	(23.68)
Member Premium	(95.79)	(194.91)	(273.41)	(333.55)	(384.40)	(441.93)	(506.88)	(321.28)
Federal Government	(56.63)	(118.60)	(167.12)	(204.78)	(237.10)	(273.68)	(315.16)	(197.78)
Manufacturer	(158.85)	(330.25)	(462.64)	(564.21)	(649.94)	(746.71)	(855.89)	(542.74)
Title II								
Member Cost Share	8.15	10.21	11.75	13.38	15.05	16.84	18.74	13.51
Member Premium	101.89	94.30	97.25	112.09	136.71	165.02	197.50	129.84
Federal Government	60.23	56.84	58.79	68.05	83.50	101.31	121.85	79.03
Manufacturer	170.27	161.36	167.79	193.53	235.26	283.17	338.09	222.38

***EXCLUDES LARGE GROUP MARKET**

APPENDIX B: Top 125 Drugs

TOP 125 BRAND DRUGS BY SPENDING WITHOUT INSULIN

GPI 10	BRAND NAME	GPI 10	BRAND NAME	GPI 10	BRAND NAME
6627001500	Humira Pen	6240505000	Tysabri	4420990295	Anoro Ellipta
5250504000	Remicade	2770005000	Jardiance	5250502010	Cimzia
8337001000	Eliquis	1210301510	Tivicay	3220004000	Ranexa
6629003000	Enbrel Sureclick	8580005000	Soliris	2135302700	Darzalex
8240157000	Neulasta	8672002000	Restasis	2153402000	Sprycel
9939405000	Revlimid	6240702510	Gilenya	8333703020	Pradaxa
2135306000	Rituxan	6640001000	Orencia	4555405020	Ofev
2755007010	Januvia	1210990229	Descovy	4016000700	Letairis
2135307000	Herceptin	5250407000	Stelara	3004407000	Forteo
8337006000	Xarelto	2799250270	Janumet	4555006000	Esbriet
4420990270	Advair Diskus	2140243000	Xtandi	2153602500	Kyprolis
2133502000	Avastin	1600004900	Xifaxan	1210990324	Biktarvy
8665501000	Eylea	7440002005	Botox	2140501015	Eligard
1210990429	Genvoya	5420005000	Myrbetriq	8633001500	Lumigan
7260005700	Lyrica	2130005310	Alimta	4530990230	Orkambi
2717005000	Victoza 3Pak	2755005000	Tradjenta	4410009020	Incruse Ellipta
1235990240	Harvoni	6240407000	Aubagio	4420990201	Combivent Respimat
4420990241	Symbicort	6670001500	Otezla	6210008020	Chantix
2717001500	Trulicity	4440003322	Flovent HFA	4530402000	Pulmozyme
3004453000	Prolia	2770002000	Invokana	4099200260	Entresto
6240552500	Tecfidera	6660306510	Xeljanz XR	1710009540	Shingrix
5907005010	Invega Sustenna	9025057500	Cosentyx Pen (2 Pens)	4016005000	Opsumit
4420101010	Ventolin HFA	2153756020	Jakafi	8240102000	Procrit
5940002310	Latuda	2145008000	Pomalyst	1710002023	Fluzone HighDose
9025058500	USTEKINUMAB	5120002400	Creon	3017005010	Somatuline Depot
1210990230	Truvada	7260003600	Vimpat	1720006530	Prevnar 13
4410008010	Spiriva	1210990339	Odefsey	8515847000	Brilinta
2135304100	Opdivo	3017007010	Sandostatin Lar Depot	7210000700	Onfi
2153106000	Ibrance	1210990330	Atripla	3320004010	Bystolic
1210990315	Triumeq	1910002010	Privigen	8633007000	Travatan Z
6240506000	Ocrevus	2153601500	Velcade	2153406520	Tagrisso
2135305300	Keytruda	3010002000	Norditropin Flexpro	2153253000	Afinitor
1910002030	Gammagard Liquid	4927002000	Dexilant	2153406020	Tasigna
2153403300	Imbruvica	6245006020	Xyrem	2310003000	Androgel
1235990265	Epclusa	9664885810	Lyrica	8230004800	Venofer
6110002510	Vyvanse	5255705000	Linzess	2597000230	Nuvaring
4420990275	Breo Ellipta	3030001000	H.P. Acthar	9715100000	Combigan
8665506000	Lucentis	6510007510	Oxycontin	1210452010	Prezista
4460306000	Xolair	5925001500	Abilify Maintena	6800003000	Uloric
1235990235	Mavyret	2770004020	Farxiga	2153401310	Cabometyx
2140601020	Zytiga	5410005520	Vesicare	8510001025	Advate
6240306045	Avonex Pen	2150001220	Abraxane		

PART D - TOP 125 BRAND DRUGS BY SPENDING WITHOUT INSULIN

GPI 10	BRAND NAME	GPI 10	BRAND NAME	GPI 10	BRAND NAME
8337001000	Eliquis	8333703020	Pradaxa	6238008020	Ingrezza
9939405000	Revlimid	1910002030	Gammagard Liquid	3004453000	Prolia
8337006000	Xarelto	1600004900	Xifaxan	1210990324	Biktarvy
2755007010	Januvia	6240407000	Aubagio	2400001500	Premarin
6627001500	Humira Pen	4555405020	Ofev	6240603000	Ampyra
7260005700	Lyrica	4016000700	Letairis	1210990227	Prezcobix
4420990270	Advair Diskus	4927002000	Dexilant	1210306010	Isentress
4410008010	Spiriva	3004407000	Forteo	2717002000	Bydureon Pen
2153403300	Imbruvica	5250407000	Stelara	6210008020	Chantix
6629003000	Enbrel Sureclick	6660306510	Xeljanz XR	2153604510	Ninlaro
4420990241	Symbicort	4555006000	Esbriet	4014308000	Adcirca
1235990240	Harvoni	1210990229	Descovy	4013405000	Adempas
2717005000	Victoza 3Pak	8633001500	Lumigan	8240503010	Promacta
2153106000	Ibrance	7260003600	Vimpat	6205990250	Namzaric
2140601020	Zytiga	4410009020	Incruse Ellipta	9025057500	Cosentyx Pen (2 Pens)
5907005010	Invega Sustenna	4420990201	Combivent Respimat	6205355010	Namenda XR
2717001500	Trulicity	4099200260	Entresto	6260990230	Nuedexta
8672002000	Restasis	1710009540	Shingrix	5253307000	Gattex
2140243000	Xtandi	6240702510	Gilenya	3950003510	Vascepa
5940002310	Latuda	4016005000	Opsumit	5907007010	Risperdal Consta
4420990275	Breo Ellipta	1235990235	Mavyret	5925002000	Rexulti
5420005000	Myrbetriq	8515847000	Brilinta	7851604700	Votrient
2755005000	Tradjenta	3320004010	Bystolic	6245006020	Xyrem
6240552500	Tecfidera	4440003322	Flovent HFA	3935002000	Repatha Sureclick
2799250270	Janumet	8633007000	Travatan Z	2755006510	Onglyza
4420101010	Ventolin HFA	2153406520	Tagrisso	5812009310	Trintellix
2153756020	Jakafi	2153253000	Afinitor	3935001000	Praluent Pen
2145008000	Pomalyst	2153402000	Sprycel	3910001610	Welchol
1235990265	Epclusa	2770004020	Farxiga	5940002820	Nuplazid
1210990429	Genvoya	2153406020	Tasigna	4016001500	Tracleer
6240306045	Avonex Pen	5925001500	Abilify Maintena	2153307030	Sutent
1210990315	Triumeq	1210990330	Atripla	8240102000	Procrit
5255705000	Linzess	9715100000	Combigan	8680232000	Azopt
3030001000	H.P. Acthar	1210452010	Prezista	5940001810	Vraylar
6510007510	Oxycontin	6800003000	Uloric	4420990340	Trelegy Ellipta
5410005520	Vesicare	2153401310	Cabometyx	9646644540	Clopidogrel
2770002000	Invokana	1210990230	Truvada	9310002500	Jadenu
5120002400	Creon	6670001500	Otezla	2153402510	Tarceva
2770005000	Jardiance	1210990339	Odefsey	1910002010	Privigen
4420990295	Anoro Ellipta	3540002810	Multaq	4510001010	Prolastin C
3220004000	Ranexa	5245004500	Amitiza	3870003000	Northera
1210301510	Tivicay	3090522510	Sensipar		

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