

# LIST OF OUTPATIENT PRESCRIPTION DRUGS PURSUANT TO [Connecticut General Statute § 19a-754b \(d\)](#) FINAL REPORT - 2024

## Background

The Office of Health Strategy (OHS) is charged by statute to develop a list of not more than ten outpatient prescription drugs that OHS determines are provided at substantial cost to the state or critical to public health ([Conn. Gen. Stat. § 19a-754b \(d\)](#)). By law, the list must include drugs:

- from different therapeutic classes,
- with a wholesale acquisition cost (WAC) that (1) increased by not less than 16% cumulatively during the immediately preceding two calendar years, and (2) was not less than forty dollars for a course of treatment.

## Final List

The final 2024 list of high-cost drugs that both increased by **16%** or more in WAC from calendar year 2020-2022 and were **\$40** or higher for a 30-day course of treatment is located on the OHS website: [Prescription Drug Cost Transparency \(ct.gov\)](#).

The total commercial cost of these drugs, as represented in the All-Payer Claims Database (APCD), is \$80,657,857. OHS extrapolates the total spending on these drugs to the entire commercial market by adjusting the APCD by a factor of 59%, which results in an estimated total commercial spending of \$136,708,233. More information on this methodology is available below.

## Findings

The six drugs on the final list make up 3.1% of all retail commercial and Medicaid prescription spending, representing almost \$175M. The drug with the highest spending on the list was Enbrel, an immunosuppressant for the treatment of auto-immune diseases. Enbrel spending was \$72M in 2022 and had a 18.1% price increase over the two-year period from 2020. The drug with the highest price increase was Otezla, with an increase of 21% over the two-year period.

## Data Qualifications

State law requires that criteria be based upon the wholesale acquisition cost (WAC) of the drug, less certain rebates. However, drug specific rebate data is not available.

Additionally, the statute requires at least one generic drug on the list. However, the state found no generic drug that both met the criteria and was provided at a substantial cost to the state, relative to the other drugs on the list. According to data from the All-Payer Claims Database (APCD), the generic drug with the highest spending that meets the price increase threshold is Percocet, which accounts for only 0.02% (\$421K) of all retail commercial prescription drug spending.

### Drugs Removed from the Preliminary List

Under [Conn. Gen. Stat. § 19a-754b \(d\)\(2\)](#), OHS made available a preliminary list for public comment until April 1, 2024. During the public comment period, any manufacturer of an outpatient prescription drug included on the preliminary list may produce documentation to establish that the drug (by NDC), less all rebates, does not meet the criteria established above. If OHS is satisfied with the documentation, the agency will remove the drug from the preliminary list 15 days after the closing of the public comment period before publishing the annual list.

Based on comments provided and additional review during this period, two drugs (Provigil and Zipsor) on the preliminary list were reclassified as brand name drugs based on their specific National Drug Code (NDC) licensure information and then consequently removed from the list due to their relative low cost to the state compared to other drugs on the list. Additionally, two drugs (Cosentyx and Entresto) were removed from the preliminary list due to sufficient support of rebate information providing evidence that the increase over the preceding two-year period was not greater than or equal to 16%.

Please submit all comments or questions via email to Patty Blodgett, [Patricia.Blodgett@ct.gov](mailto:Patricia.Blodgett@ct.gov).

### Source of Data

OHS prepared the 2024 drug list using the All-Payer Claims Database (APCD), CT Insurance Department Managed Care Enrollment, and WAC data from Micromedex Redbook. APCD data is submitted by the insurance carriers, Medicaid, and the state employee plan. The Micromedex data is incorporated into the APCD and updated on a quarterly basis. The data utilized in this analysis is for calendar years 2020-2022, with six months of claims run out for expenses incurred in 2022.

The APCD data includes commercial claims for all fully insured Connecticut health plans and some self-insured plans, primarily, state employees and retirees, and the [CT Partnership 2.0](#) municipalities plan. Per the 2016 Supreme Court Gobeille Decision<sup>1</sup>, self-insured employers are not required to submit claims data to state APCDs. However, research OHS has reviewed shows no evidence that self-insured

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<sup>1</sup> Gobeille v. Liberty Mut. Ins. Co., 577 U.S. 312 (2016) . Accessed January 9, 2024 at <https://supreme.justia.com/cases/federal/us/577/312/>

plans differ systematically from fully insured plans in terms of benefit design or price.<sup>2</sup> The APCD does not contain information on pharmacy rebates.

## Methodology

OHS utilized the statutory criteria of \$40 or more for a course of treatment to identify 250 outpatient prescription drugs by National Drug Code (NDC) with the highest total commercial costs. The total commercial cost for each drug is the allowed amount for a pharmacy claim which is the sum of the insurer paid amount and member out of pocket cost (i.e. deductible, co-insurance and co-pay). After identifying the drugs that cost \$40 or more for a course of treatment and were among the 250 drugs with the highest total spending in the APCD, OHS then used the associated Micromedex 2020 – 2022 WAC data for each NDC on the list to determine if its cumulative price increase for the two-year period was 16% or greater. The list represents the highest cost drugs that met the statutory criteria.

OHS may release separate information or data that provides useful information to enhance transparency.

**This listing will not trigger the information and data filings required by Conn. Gen. Stat. § 19a-754b (d)(4) from drug manufacturers, until the next list is released in March 2025.**

## COMMONLY USED ABBREVIATIONS AND DEFINITIONS

### Abbreviations

APCD – All Payer Claims Database

DSS – Connecticut Department of Social Services

NDC - National Drug Code

WAC – Wholesale Acquisition Cost

### Definitions

National Drug Code A code maintained by the federal Food and Drug Administration that is uniquely assigned by manufacturer, product, and packaging.

Brand Drug – A prescription drug, having a unique NDC, marketed under a proprietary name or registered trademark name, including a biological product, and approved under a New Drug Application or Biologics License Application.

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<sup>2</sup> Christine Eibner et al. (2011) Employer Self-Insurance Decisions and the Implications of the Patient Protection and Affordable Care Act as Modified by the Health Care and Education Reconciliation Act of 2010 (ACA). Accessed January 9, 2024 at

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4945181/#:~:text=Overall%2C%20we%20find%20little%20evidence,exemptions%20for%20self%2Dinsured%20plans>

Generic Drug A prescription drug, having a unique NDC, whether identified by its chemical, proprietary or nonproprietary name, that is not a brand drug, is therapeutically equivalent to a brand drug in dosage, strength, method of consumption, performance and intended use, and approved under an Abbreviated New Drug Application. Generic Drug includes a biosimilar product.

Therapeutic Class A group of drugs used for the treatment, remediation, or cure of a specific disorder or disease.

Therapeutic Description A description of the therapeutic class and treatment of illness or condition.

Estimated Total Commercial Cost – The estimated total cost of a drug reimbursed by the commercial insurers (Aetna, Anthem, Cigna, ConnectiCare, United HealthCare) is the allowed amount for a pharmacy claim which is the sum of the paid amount and member out of pocket cost (i.e. deductible, co-insurance and co-pay). These costs include an estimate for the total commercial market based on an analysis of the ratio of commercial covered lives in the APCD compared to the total commercial covered lives reported to the CT Insurance Department in the [managed care report card](#). This assumes that the use rate and cost per prescription for each drug (NDC) were similar for the two groups (i.e., lives covered in the APCD vs. total commercial lives).

Total Commercial Cost (from OHS' APCD)– The total cost of a drug reimbursed by the commercial insurers (Aetna, Anthem, Cigna, ConnectiCare, United HealthCare) is the allowed amount for a pharmacy claim which is the sum of the paid amount and member out of pocket cost (i.e. deductible, co-insurance and co-pay). These costs are from OHS' APCD and include fully insured and self-insured state employees and some others.

Total Medicaid Cost – The total cost of a drug reimbursed by the DSS' Medicaid program is the allowed amount for a pharmacy claim which is the sum of the paid amount and member out of pocket cost (i.e., deductible, co-insurance and co-pay).

Total State Employee Cost – The total cost of a drug reimbursed by the commercial insurers (Aetna, Anthem, Cigna, ConnectiCare, United HealthCare) for state employees and retirees. This cost is the allowed amount for a pharmacy claim which is the sum of the paid amount and member out of pocket cost (i.e. deductible, co-insurance and co-pay). This number is included in both the Estimated Total Commercial Cost and Total Commercial Cost (from OHS' APCD) but is broken out for this analysis.

Estimated Total Prescriptions– The estimated total number of prescriptions reimbursed by commercial insurers for that NDC. This includes an estimate of all commercial self-insured prescriptions completed in the same manner as Estimated Total Commercial Cost.

Total Prescriptions (from OHS' APCD) – The total number of prescriptions reimbursed by commercial insurers for that NDC. This includes fully insured and self-insured state employees and others.

Medicaid Prescriptions – The total number of prescriptions reimbursed by DSS' Medicaid program.

State Employee Prescriptions – The total number of prescriptions for state employees and retirees reimbursed by commercial insurers for that NDC. This number is included in Estimated Total Prescriptions and Total Prescriptions (from OHS' APCD) but is also broken out for this analysis.

Rebate A discount, chargeback, or other price concession that affects the price of a prescription drug product.

Wholesale Acquisition Cost Defined by the federal definition 42 USC 1395w-3a as the manufacturer's list price for the drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates or reductions in price, for the most recent month for which the information is available, as reported in wholesale price guides or other publications of drug or biological pricing data.

Per Unit Defined by the federal definition 42 USC 1395w-3a the term “unit” means, with respect to each National Drug Code (including package size) associated with a drug or biological, the lowest identifiable quantity (such as a capsule or tablet, milligram of molecules, or grams) of the drug or biological that is dispensed, exclusive of any diluent without reference to volume measures pertaining to liquids.

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