

Ask the Analyst: Healthcare Payments Data (HPD) Fee-For-Service Drug Costs in Commercial Market

August 29, 2024

Introduction & Purpose

Michael Valle, Deputy Director, Chief Information Officer, HCAI

Overview of the HPD Program Data and Analytics Products

Christopher Krawczyk, Ph.D., Chief Analytics Officer, HCAI

Advancing Existing and Planning for New Data and Analytics

COST



UTILIZATION



QUALITY



What does the Healthcare Payments Data Program Do?

The HPD collects data from:

- ✓ Commercial and Medicare Advantage health plans and insurers
- ✓ Department of Health Care Services (Medi-Cal)
- ✓ Centers for Medicare and Medicaid Services (Medicare Fee-For Service)

Data that is collected:

- ✓ Claims data
- ✓ Encounter data
- ✓ Member enrollment
- ✓ Provider registry data

How data is used:

- ✓ Inform healthcare policy decisions
- ✓ Support improved health care cost and quality
- ✓ Develop innovative approaches to the delivery of health care

HPD Snapshot

- High-level views of data available in HPD
- Volume of medical procedures and pharmacy claims by payer type and year
- Visualization and underlying data publicly released June 27, 2023: [HPD: Snapshot](#)

HPD Measures

- Chronic conditions, demographics, and utilization dashboards
- User-controlled filters for location, payer, additional demographics (age, sex)
- Publicly released September 6, 2023: [HPD: Measures](#)

HPD Fee-For-Service Drug Costs in the Commercial Market

- Fee-for-Service Drug Costs Report allows users to explore various aspects of the cost of pharmaceuticals in California
- Covers the Top 25: costliest drug products, most frequently prescribed drugs, and drugs with the largest monthly median out-of-pocket cost
- Publicly released July 31, 2024: [HPD: Fee-For-Service Drug Costs in the Commercial Market](#)

Health Care Payments Data Program Advisory Committee Public Meetings

[HPD Program Advisory Committee Public Meetings](#)

October 24, 2024

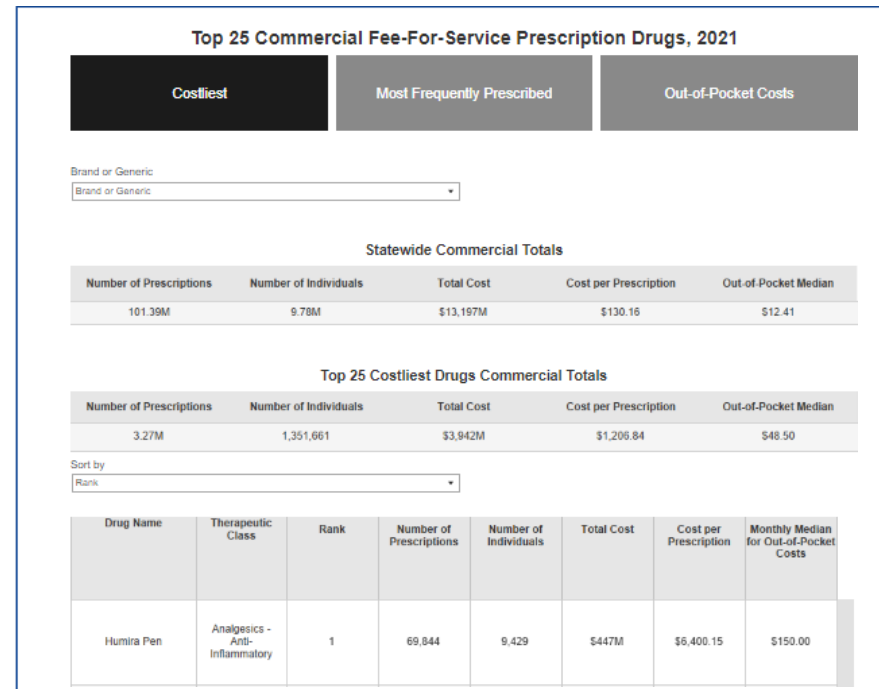
9:00 AM

PROPOSED AGENDA

- Review public reporting to date
- Review potential topics identified by the Advisory Committee and stakeholders
- Discuss and receive recommendations from the Advisory Committee for public reporting in 2025

Demonstration of the Fee-For-Service Drug Costs in the Commercial Market Visualization

Phil Morris, Research Scientist, HCAI

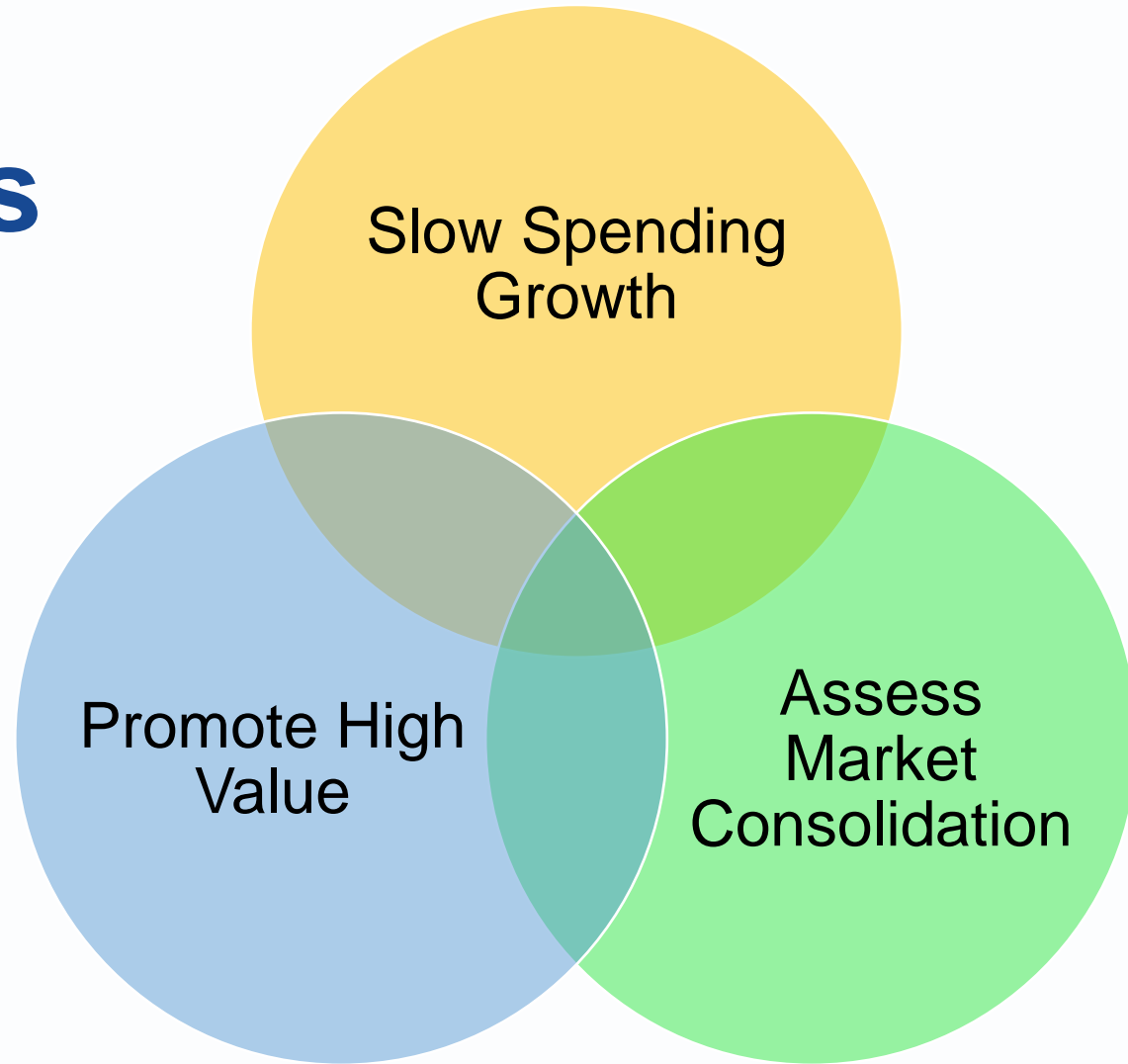


Healthcare Payments Data (HPD) Fee-For-Service Drug Costs in the Commercial Market

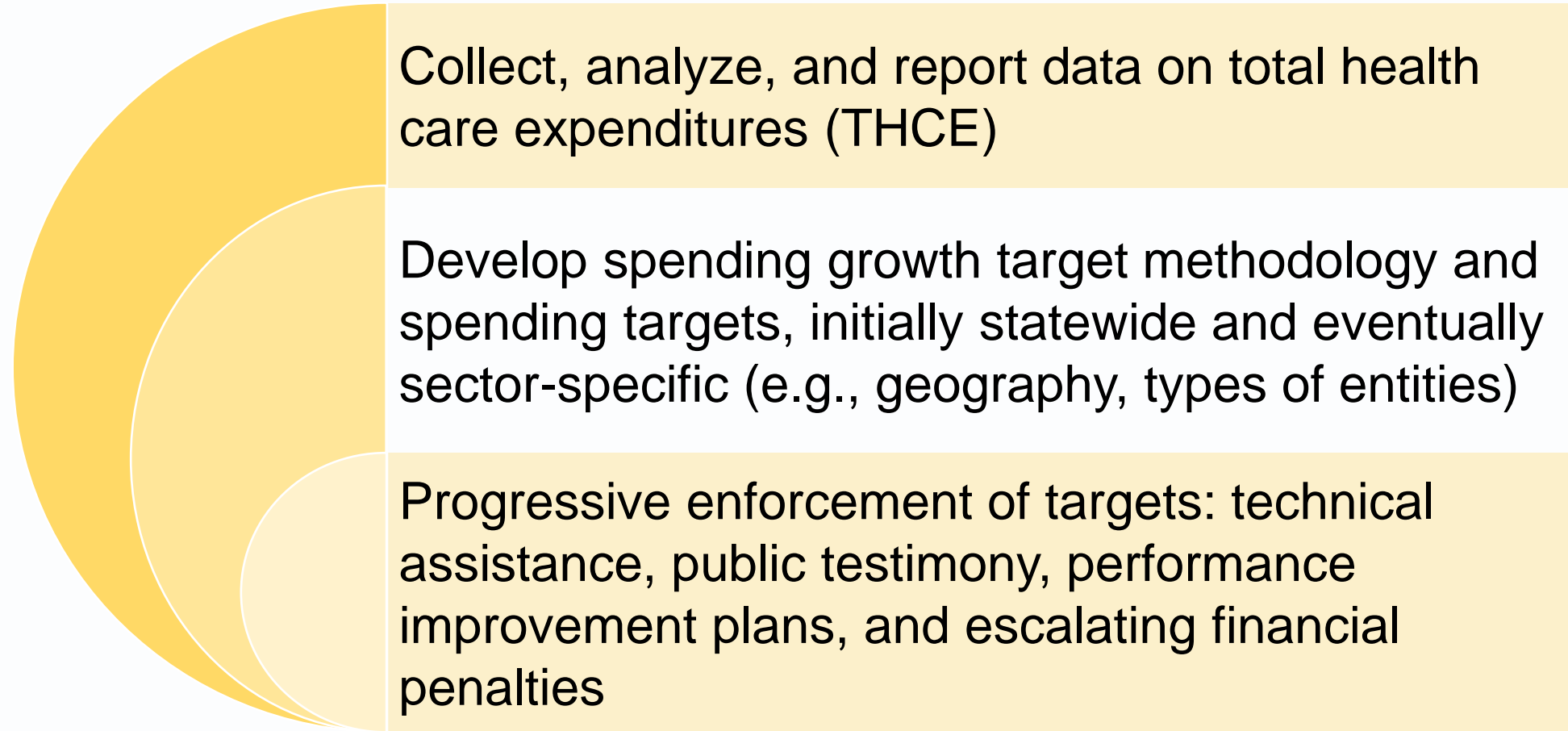
Office of Health Care Affordability (OHCA) Overview

*Emily Estus, CalRx Program Manager, HCAI and
Andrew Feher, Research Scientist Supervisor, HCAI*

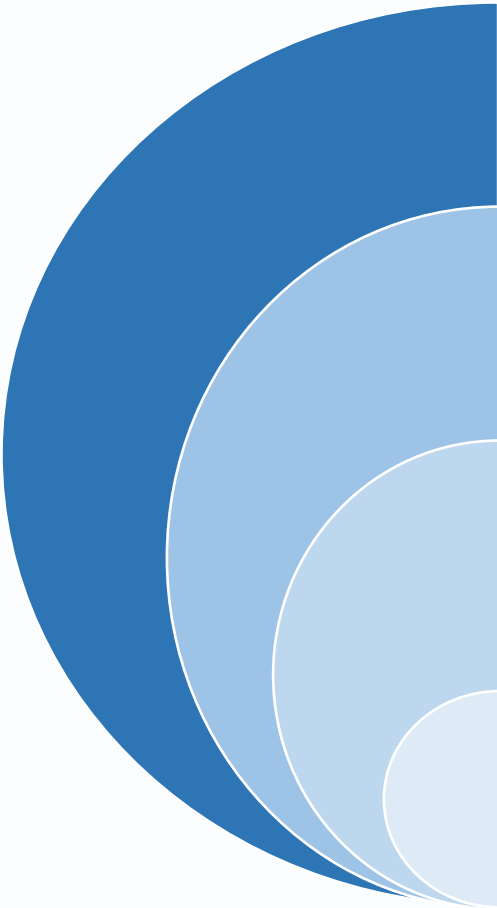
OHCA's Key Responsibilities



Slow Health Care Spending Growth



Promote High Value System Performance



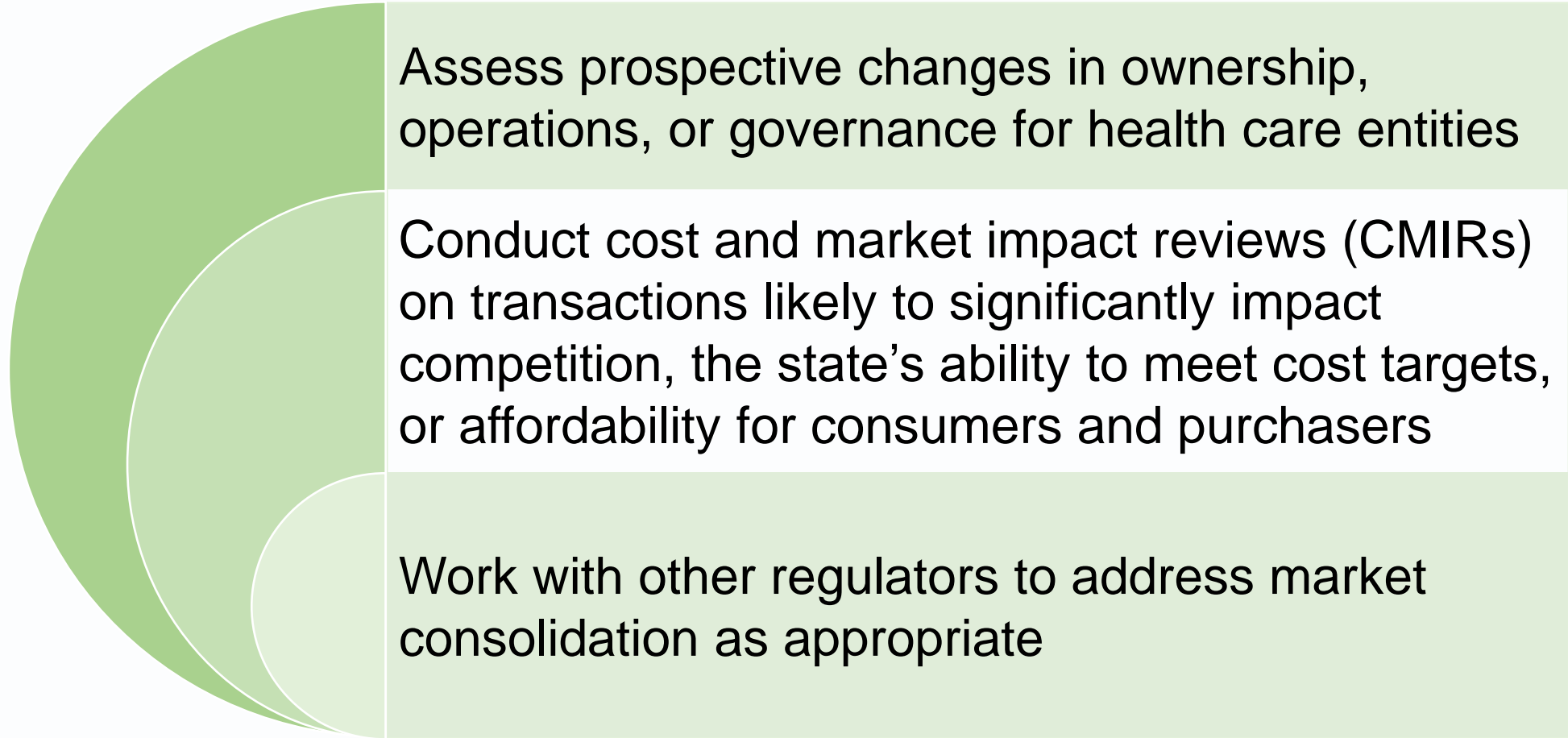
Track quality, equity, and access

Set benchmarks and report on primary care and behavioral health investment

Set goals for the adoption of alternative payment models and develop standards to be used in contracting

Promote workforce stability through standards

Assess Market Consolidation



CalRx[®]: A groundbreaking solution for addressing drug affordability



- State program to make pharmaceuticals more affordable and accessible in California by disrupting the pharmaceutical market
- Focus is on drugs where lack of competition has led to high prices, even when biosimilar or generic is available
- No rebates or other discounts (other than federally mandated ones); all CalRx pricing is clear and transparent based on development, production, and distribution costs



**CalRx[®] Biosimilar
Insulin Initiative**



**Stockpile of
misoprostol**



**CalRx[®] Naloxone
Access Initiative**

6 OHCA Takeaways from HPD Rx FFS Drug Cost Report

1

Half of the 25 most costly prescription drugs are branded biologics, indicating the importance of increasing access to lower cost biosimilars to improve affordability.

2

Insulin medications are a significant driver of overall cost, affirming that biosimilar insulin is an impactful target for CalRx.

3

Asthma inhalers and epinephrine pens represent significant spending, suggesting potential candidate drugs for CalRx.

4

Ozempic already shows up as a costly drug in 2021 and GLP-1s have surged in marketing in recent years. The cost impact will be something to watch for in later years of data.

5

Humira drove significant 2021 spending but still has 98% of the market in 2024, suggesting that lower cost biosimilars may be experiencing hurdles to adoption.

6

When additional years of data & payer types come out and as more variables become available in HPD datasets, OHCA will be able to study these trends and others more rigorously.

Moderated Q&A: HCAI Panel

Darian Howard, Stakeholder Engagement Analyst, Moderator

- Michael Valle, Deputy Director, Chief Information Officer
- Chris Krawczyk, Ph.D., Chief Analytics Officer
- Phil Morris, Research Scientist
- Emily Estus, CalRx Program Manager
- Andrew Feher, Research Scientist Supervisor

Health Care Payments Data Program Additional Resources

[Health Care Payments Data \(HPD\) Public Reporting Webpage](#)

[HPD Program Public Reporting Feedback Form](#)

[HPD Fee-For-Service Drug Costs in the Commercial Market](#)

[HCAI's Open Data Portal](#)

Closing – Thank You!

HCAI will publish an FAQ containing answers to questions asked during this webinar.

HCAI will send out a survey to inform future events; please let us know how we did!

- Did you find this webinar helpful?
- Would you be interested in another webinar?
- What topics would you like to see discussed?

Have more questions, suggestions? Send them to dataandreports@hcai.ca.gov

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