The Hardest Pills to Swallow:
Virginia's Most Burdensome Prescription Meds

- Prescription medicine is a major financial burden for Virginians. Over the last decade, Virginians have been shouldering a greater burden than most Americans, and in 2021 Virginians paid a combined $3.4 billion on prescription drugs in the commercial market.[1]
- From 2015 to 2020, Virginians' average spending on prescription drugs increased from $1,400 to $1,500[2] - a 6.6% increase, more than twice the national increase (see page 2). In 2020, Virginians spent 36% more per person on prescription drugs than the national average[3]: $1,500 in Virginia compared to $1,100 nationally.
- Prescription drug costs are taking up a greater share of the average family's health care costs[4], rising to be responsible for nearly 25% of health insurance costs since 2018.
- New data reported by the Virginia Department of Health confirms which drugs create the greatest financial burdens both for hardworking Virginians and for state and local governments that spend taxpayer dollars on lifesaving medicine.

Most Burdensome Drugs in the Commercial Market[5]

Manufacturer	Drug	Disease	Total Paid
1.AbbVie	Humira Pen	Autoimmune	$196M
2. Janssen	Stelara	Autoimmune	$100M
3. Amgen	Enbrel Sureclick	Autoimmune	$53.2M
4. Gilead	Biktarvy	HIV	$48.5M
5. Sanofi	Dupixent	Asthma	$39.9M
6. AbbVie	Humira Pen CF	Autoimmune	$38.1M
7. Vertex	Trikafta	Cystic Fibrosis	$36.5M
8. Eli Lilly	Trulicity	Type 2 Diabetes	$36.4M

[1] Virginia Health Information. 2021 Prescription Drug Price Transparency Report. http://www.vhi.org/RxPricingWebsite/
[2] Virginia's Health Care Sector Economic Trends in 2020. Corwin Rhyan, MPP and Matt Daly, PhD. Altarum Institute. https://altarum.org/sites/default/files/uploaded-publication-files/Virginia%27s%20Health%20Care%20Sector%20Economic%20Trends%20in%202020.pdf
[3] Ibid
[4] Where Does Your Health Care Dollar Go. AHIP, September 6, 2022. https://www.ahip.org/resources/where-does-your-health-care-dollar-go
[5] Virginia Health Information. 2021 Prescription Drug Price Transparency Report. http://www.vhi.org/RxPricingWebsite/

9. Bristol Myers Squibb	Eliquis	Cardiovascular	$36.2M
10. Amgen	Otezla	Psoriasis	$29.8M
11. Jazz	Xyrem	Narcolepsy	$29.4M
12. Novartis	Cosentyx Sensoready Pen	Arthritis	$28.1M

Most Burdensome Drugs for Virginia's State Budget[6]

Manufacturer	Drug	Disease	Price, % Increase
1. AbbVie	Humira (CF) Pen	Autoimmune	$6400, 7%
2. Janssen	Stelara	Autoimmune	$1850, 5%
3. Eli Lilly	Trulicity	Type 2 Diabetes	$220, 5%
4. Boehringer	Jardiance	Type 2 Diabetes	$570, 6%
5. Amgen	Enbrel	Autoimmune	$1640, 3%
6. AbbVie	Humira Pen	Autoimmune	$6400, 7%
7. Bristol Myers Squibb	Revlimid	Cancer	$17500, 7%
8. Sanofi	Dupixent	Asthma	$1700, 2%
9. Novo Nordisk	Victoza	Type 2 Diabetes, Obesity	$350, 5%
10. Gilead	Biktarvy	HIV	$3600, 6%
11. Sanofi	Lantus	Type 1 and 2 Diabetes	$280, 8%
12. AbbVie	Mavyret	Hepatitis C	$13200, 0%
13. Gilead	Genvoya	HIV	$3600, 6%
14. Bristol Myers Squibb	Eliquis	Cardiovascular	$350, 4%

[6] Virginia Department of Medical Assistance Services and Virginia Department of Human Resource Management

Drugs With Highest Year-to-Year Wholesale Acquisition Cost (WAC) Price Increases

Manufacturer	Drug	Disease	Year-to-Year Percentage WAC Increase
1. Pfizer	Glipizide	Type 2 Diabetes	25%
2. Amgen	Otezla	Psoriasis	10%
3. Amgen	Enbrel Sureclick	Autoimmune	7.4%
4. Novartis	Xiidra	Dry Eye Disease	7%
5. Abbott	Freestyle Libre	Diabetes	6%
6. BD	BD Pen Needle/Nano/Ultra	Diabetes	6%
7. Perrigo	Proair HFA	Asthma	5.9%
8. Amgen & Novartis	Aimovig	Migraine	5.9%
9. Biohaven	Nurtec	Migraine	5%
10. Novo Nordisk	Victoza	Type 2 Diabetes, Obesity	5%
11. Novo Nordisk	Ozempic	Type 2 Diabetes	5%
12. Merck	Januvia	Type 2 Diabetes	4.9%

With inflation impacting Virginians every day, health care costs show no signs of going down. Prescription medicine is one of the biggest drivers of healthcare costs overall. One of the biggest causes of higher cost of living is the skyrocketing cost of medicine. Between July 2021 and July 2022, drug companies hiked the prices for more than 1,200 drugs more than the already historic 8.6% inflation rate[7], with these products having an average price increase of 31.6%.

- 1 out of every 4 Virginians who depend on prescription medicines chooses not to take those drugs solely because they cannot afford them[8];

[7] HHS: Price of More Than 1,200 Drugs Outpaced Inflation. Joseph Choi, The Hill. September 30, 2022. https://thehill.com/homenews/administration/3669326-hhs-price-of-more-than-1200-drugs-outpaced-inflation/

[8] Virginia Residents Worried About High Drug Costs - Support A Range of Government Solutions. Altarum Healthcare Value Hub. October 2019. https://www.healthcarevaluehub.org/advocate-resources/publications/virginia-residents-worried-about-high-drug-costs-support-range-government-solutions

- 50% of Virginians with employer-provided health insurance, 66% of Virginians who buy their own health insurance, and 70% of uninsured Virginians worry about being able to afford the medicine they need[9];
- The average Virginian fills 11 prescriptions per year, and the average cost of a prescription in Virginia rose 26.3% between 2015 and 2019[10], while the average annual income only rose 16.7%

Figure 5: Average Spending Growth Rates (2015-2020) for Virginia and Nationwide, by Major Health Spending Category

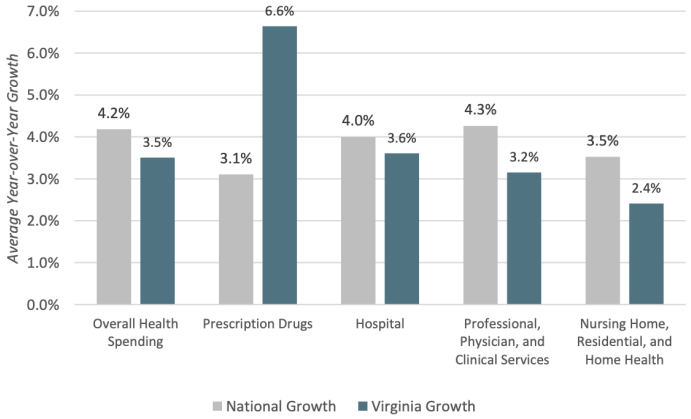
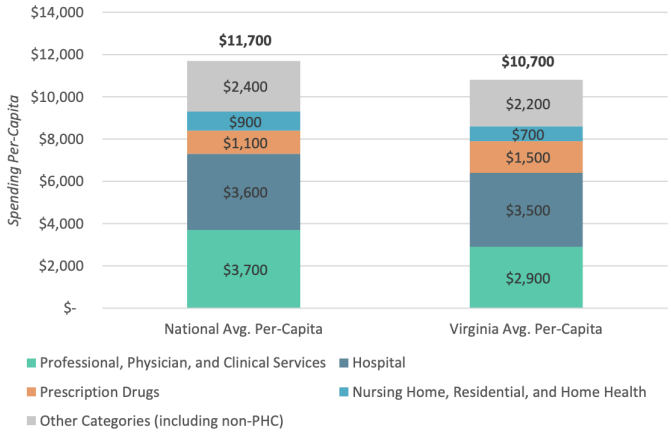


Figure 3: Average Health Spending Per-Capita, by Category, 2020



Here are some additional details on the diseases most impacting Virginians and how filling those prescriptions are causing challenges for working families:

- Diabetes
  - More than 630,000 Virginians have diabetes[11], including about ¼ of seniors. Rates of diabetes are worst in rural areas of the state, including Southwest

[9] Ibid
[10] Working to Curb Soaring Prescription Drug Prices in Virginia. Natalie Missakian, AARP. November 1, 2021. https://states.aarp.org/virginia/aarp-advocating-lower-prescription-drug-prices-virginia
[11] Diabetes Impact. Virginia Center for Diabetes Prevention & Education. University of Virginia School of Medicine. https://med.virginia.edu/vcdpe/impact-prediabetes-diabetes-virginia/

Virginia, Southside, and the Eastern Shore. About ⅓ of the state's entire population has prediabetes. Common medicines to treat diabetes are up to six times more expensive in the U.S. as those same medicines are in countries that set affordable payment rates for consumers. Some of these medicines, such as Trulicity and Lantus, are among the most burdensome drugs in Virginia and have increased in cost by 5-8% over the past year.

- Cancer
    - Cancer is the leading cause of death in Virginia[12], with a higher rate of cancer than the national average, and cancer medicines in the U.S. are more than twice as expensive as those same medicines are in other industrialized countries. Common cancer drug Revlimid this year increased 7% in Virginia to an astronomical cost of $17,500.
- Asthma
    - Roughly 800,000 Virginians struggle with asthma, the highest rate of the disease in at least 10 years[13], and the common brand name medicine to treat it saw its price increase by more than $1500 between 2015 and 2020. In Virginia, the asthma drug Dupixent causes severe financial burden with a cost of $1700.
- Obesity
    - 26% of adults in Virginia report having obesity[14], which is shown by the NIH to be closely linked to a number of chronic diseases requiring expensive medicines, including heart disease, diabetes, and some cancers. Victoza is a common medicine known to treat obesity, and increased by 5% in the last year to $350.

Taxpayers also face increasing burdens from expensive medicine, as the Commonwealth's drug spending has increased 20% from FY2020 to FY2022, when more than $2.4 billion in taxpayer dollars were spent on medicine[15].

State Spending on Rx Meds

- The Commonwealth spent the below on retail and other outpatient prescription drugs in:
    - FY 2020[16]: $2 billion
        - State employee health plan: $360 million+
        - Medicaid program:
            - FFS: $23.5 million
            - MCO: $1.6 billion

[12] Stats of the State of Virginia. National Center for Health Statistics. Centers for Disease Control and Prevention. https://www.cdc.gov/nchs/pressroom/states/virginia/virginia.htm
[13] 2022 America's Health Rankings Annual Report. United Health Foundation. https://www.americashealthrankings.org/explore/annual/measure/Asthma_a/state/VA
[14] Virginia State Nutrition, Physical Activity, and Obesity Profile. National Center for Chronic Disease Prevention and Health Promotion. September 2012. https://www.cdc.gov/obesity/stateprograms/fundedstates/pdf/virginia-state-profile.pdf
[15] Virginia Department of Medical Assistance Services and Virginia Department and Human Resource Management, December 2022.
[16] Ibid

- FY 2021[17]: $2.3 billion
  - State employee health plan: $363.1 million
  - Medicaid program:
    - FFS: $33.6 million
    - MCO: $1.9 billion
- FY 2022[18]: $2.4 billion
  - State employee health plan: $402 million
  - Medicaid program:
    - FFS: $35.8 million
    - MCO: $2 billion

To provide one example on how the Commonwealth could save taxpayer dollars on prescription drugs, Virginia's Medicaid program in FY 2022 spent $2.2 million in its Medicaid FFS program on cancer drug Zofran[19]. Comparing the price of Zofran in the United States to those of Canadian formularies[20], Virginia could save anywhere from $240,000 to $1.6 million annually just on that one medicine by adopting policies like a Prescription Drug Affordability Board, as states like Colorado and Maryland have done.

- The top ten drugs by spend in the state employee health plan from FY 21 are:
  1. Humira (CF) Pen (arthritis, psoriasis, Crohn's disease, colitis)
  2. Stelara (arthritis, psoriasis, Crohn's disease)
  3. Trulicity (diabetes)
  4. Jardiance (diabetes)
  5. Enbrel Sureclick (arthritis, psoriasis)
  6. Ozempic (diabetes, obesity)
  7. Humira Pen (arthritis, psoriasis, Crohn's disease, colitis)
  8. Revlimid (multiple myeloma, mantle cell lymphoma, MDS)
  9. Dupixent (asthma, eczema)
  10. Saxenda (diabetes, obesity/child obesity)
- The top ten drugs by spend in the Commonwealth's Medicaid program from FY 21 are:
  1. Zofran (cancer)
  2. Morphine sulfate (pain relief)
  3. Latuda (bipolar, schizophrenia)
  4. Hydromorphone (pain relief)
  5. Neulasta (cancer)
  6. Enoxaparin sodium (blood thinner)
  7. Bictegrav (HIV)
  8. Midazolam (sleep aid, surgery prep/recovery)
  9. Acuvail (pain relief, surgery prep/recovery)
  10. Buprenorphine (chronic pain, opioid addiction)

[17] Ibid
[18] Ibid
[19] Ibid
[20] PharmacyChecker.com https://www.pharmacychecker.com/zofran/#prices

The rising costs of prescription drugs have become a major issue contributing to an affordability crisis for many Virginia families. The rising cost of prescriptions are compounded by other burgeoning costs for everyday Virginians.

- Electricity
    - With the cost of gas and fossil fuels more volatile than ever in 2022, electric bills have become more expensive –especially in Virginia where the average electric bill is 9% more expensive than the national average[21]
- Child care
    - Virginia has the 10th most expensive child care system in the country[22], exacerbating workforce challenges as thousands of parents have left the workforce in recent years because it's cheaper to stay home with the child
- Housing
    - The cost of housing in Virginia is - on average - 10% higher than the national average, and especially so in Northern Virginia[23], where home prices rose more between 2000 and 2019 than any other metropolitan area on the entire East Coast.
- Insurance
    - Between 2016 and 2021, the cost of an average insurance plan in Virginia rose 37% for bronze plans, 60% for silver plans, and 25% for gold plans[24]
    - We saw that during that same time period, enrollment in Virginia's marketplace dropped 20% because people cannot afford health insurance.

[21] Cost of Electricity in Virginia. Energy Sage. January 8, 2023. https://www.energysage.com/local-data/electricity-cost/va/
[22] Virginia is Among the Nation's Most Expensive States for Child Care. Michael Pope. WVTF. September 6, 2022. https://www.wvtf.org/news/2022-09-06/report-virginia-is-among-the-nations-most-expensive-states-for-child-care
[23] Cost of Living in Virginia. RentCafe. January 8, 2023. https://www.rentcafe.com/cost-of-living-calculator/us/va/
[24] Virginia Health Insurance Premiums Are Still Too High for Many Customers, Report Finds. Kate Masters, Virginia Mercury. November 16, 2021. https://www.virginiamercury.com/2021/11/16/virginia-health-insurance-premiums-are-still-too-high-for-many-customers-report-finds/