

Medicare and Medicaid Drug Expenditures for Medicare and Medicaid Dual Eligible Enrollees

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INTRODUCTION

Since 2006, Medicare has covered prescription drugs although Medicaid continues to pay billions of dollars per year for medications for Medicare-Medicaid dually eligible enrollees. In 2010, Medicare-Medicaid eligible enrollees accounted for 51% of the total drug cost while accounting for 20% of the population. Linkage of Medicare and Medicaid data in the Medicare Medicaid Linked Enrollee Analytic Data Source (MMLEADS) allows for accurate evaluation of drug cost and utilization for Medicare-Medicaid eligible beneficiaries.

MMLEADS is a suite of analytic files designed to serve as a tool for research of Medicare and Medicaid enrollees in addition to individuals who only receive Medicare coverage and/or individuals who only receive Medicaid coverage. It allows for investigation of eligibility, enrollment, cost and utilization, and 49 common health conditions for individuals enrolled in Medicare and/or Medicaid. Cost and utilization has been summarized into therapeutic classes within Medicare Part D and Medicaid drug categories.

The objectives of this study were: 1) to identify a population with high drug costs and 2) to characterize the drug use in terms of specific therapeutic classes of medications.

METHODS

Study Design: The 2010 MMLEADS was used to calculate total per person Medicare, Medicaid, and total combined drug costs. We identified a high drug cost population as those in the 95th percentile and described cohort characteristics including dual status, age, long-term care use, and 49 condition indicators. The drug classifications were the VA National Drug File class headers. A 1% sample (n=561,171) was used for logistic regression analysis to determine specific risk factors for high drug costs.

Population: Total of 56,105,085 unique individuals

- 9,658,940 Medicare-Medicaid enrollees
- 40,430,007 Medicare-only enrollees
- 6,016,138 Medicaid-only with disability enrollees

Figure 1: Percentage of Total Drug Payments, 2010

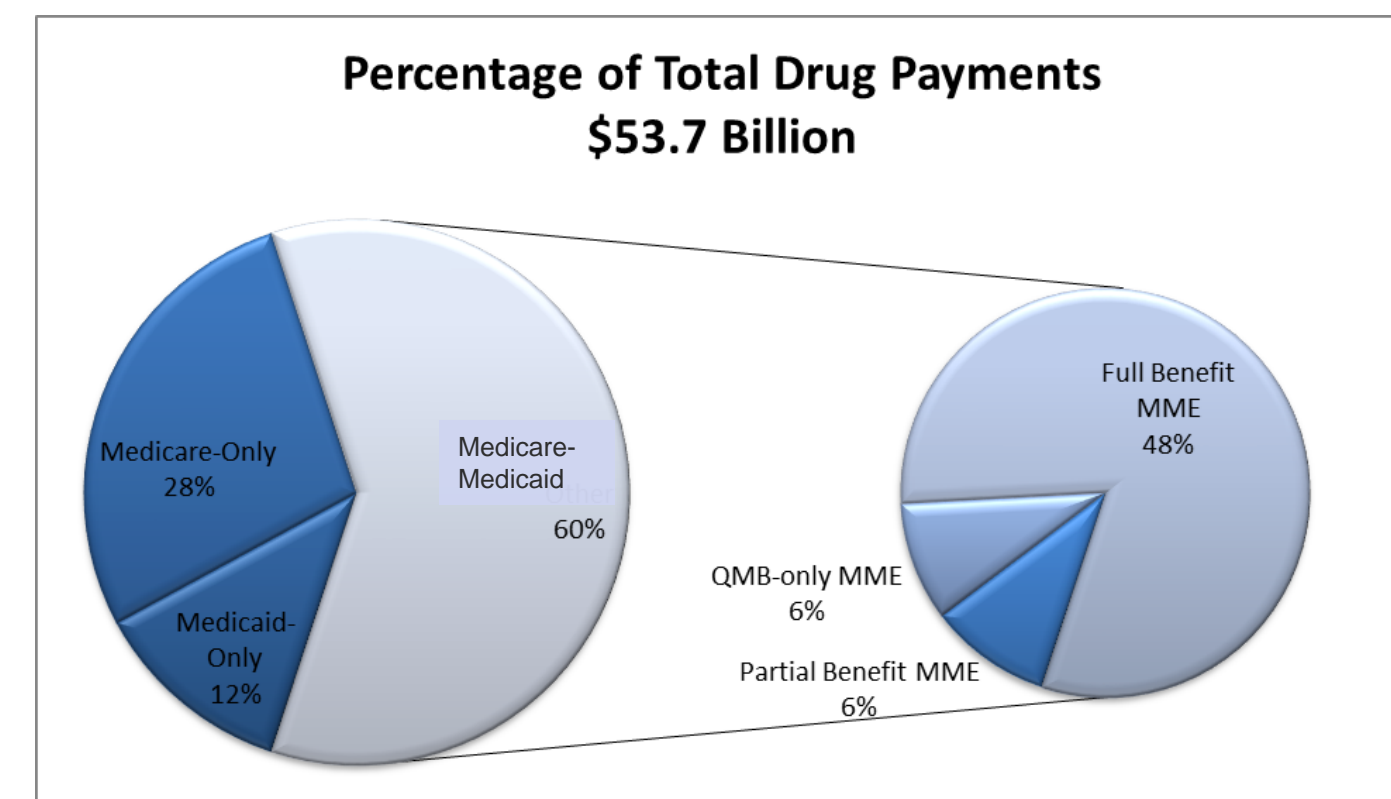


Table 1: Top Five Drug Classifications based on Annual Per User Costs, 2010

Medicare-Medicaid Eligible	
Immunologic Agents	\$7,840
Antineoplastic Drugs	\$3,271
Blood Products	\$1,432
Hormone	\$1,087
Central Nervous System	\$1,042
Medicare Only	
Immunologic Agents	\$2,539
Antineoplastic Drugs	\$2,026
Central Nervous System	\$843
Blood Products	\$819
Antidotes	\$756
Medicaid Only	
Immunologic Agents	\$4,412
Antineoplastic Drugs	\$3,351
Blood Products	\$1,643
Central Nervous System	\$1,361
Hormone	\$1,242

RESULTS

Total drug costs for 2010 were \$53.7billion; Medicare only enrollees accounted for 28% of total drug costs, Medicare-Medicaid eligible accounted for 60% and Medicaid-only with disability accounted for 12% (Figure 1).

The drug classification with the highest annual per user costs for each Medicare-Medicaid group was Immunologic Agents which was followed by Antineoplastic drugs for each group (Table 1). Medicare-Medicaid enrollees had an average per user cost of \$7,840 for immunologic agents in 2010.

States with the highest per user drug payments in 2010 include the District of Columbia (\$877), Kansas (\$877), Alaska (\$872), New Jersey (\$831), and Maryland (\$793) (Figure 2).

Figure 2: Per User Total Drug Payments by State, 2010

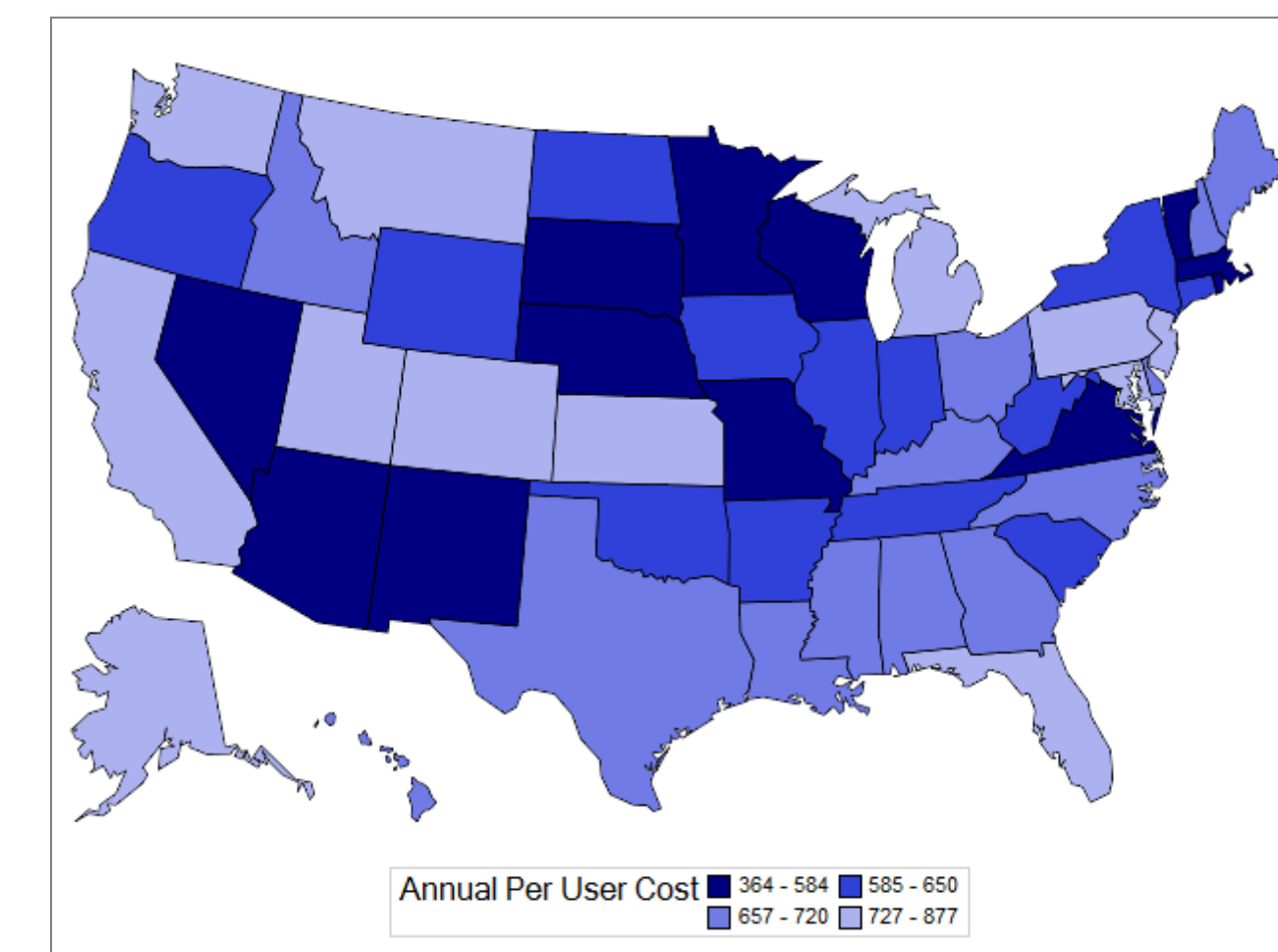


Table 2: Total Drug Costs Per User Summary Statistics, 2010

Basic Statistical Measures			
Mean	\$2,943	Std. Deviation	\$6,528
Median	\$1,466	Variance	\$4,2612,386
Mode	\$1,890	Interquartile Range	\$2378
Quantiles			
99%	\$24,703		
95%	\$11,200		
90%	\$7,180		
75% Q3	\$2,842		
50% Median	\$1,466		
25% Q1	\$463		
10%	\$103		
5%	\$34		

RESULTS

The 95th percentile for drug payments across Medicare and Medicaid was \$11,200 with a mean of \$2,943 (Table 2). Full Benefit Medicare-Medicaid enrollees accounted for 52% of those with high drug cost. People with particular conditions had higher drug costs; the rate of schizophrenia was 26 % for high cost enrollees compared to 6%, the rate of depression was 38% compared to 17%, and the rate of diabetes was 44% compared to 30% (Figure 3).

States with the highest percent of high cost individuals were New York (52%), California (48%), Texas (31%), Florida (27%), and Ohio (23%) (Figure 4).

The likelihood of having high drug costs in 2010 indicated that Medicare-Medicaid enrollees were more likely compared to Medicaid-only and Medicare-only, and younger individuals had an increased likelihood compared to those 65 – 85 (Table 3).

Figure 3: Condition Prevalence by High Cost Group Association

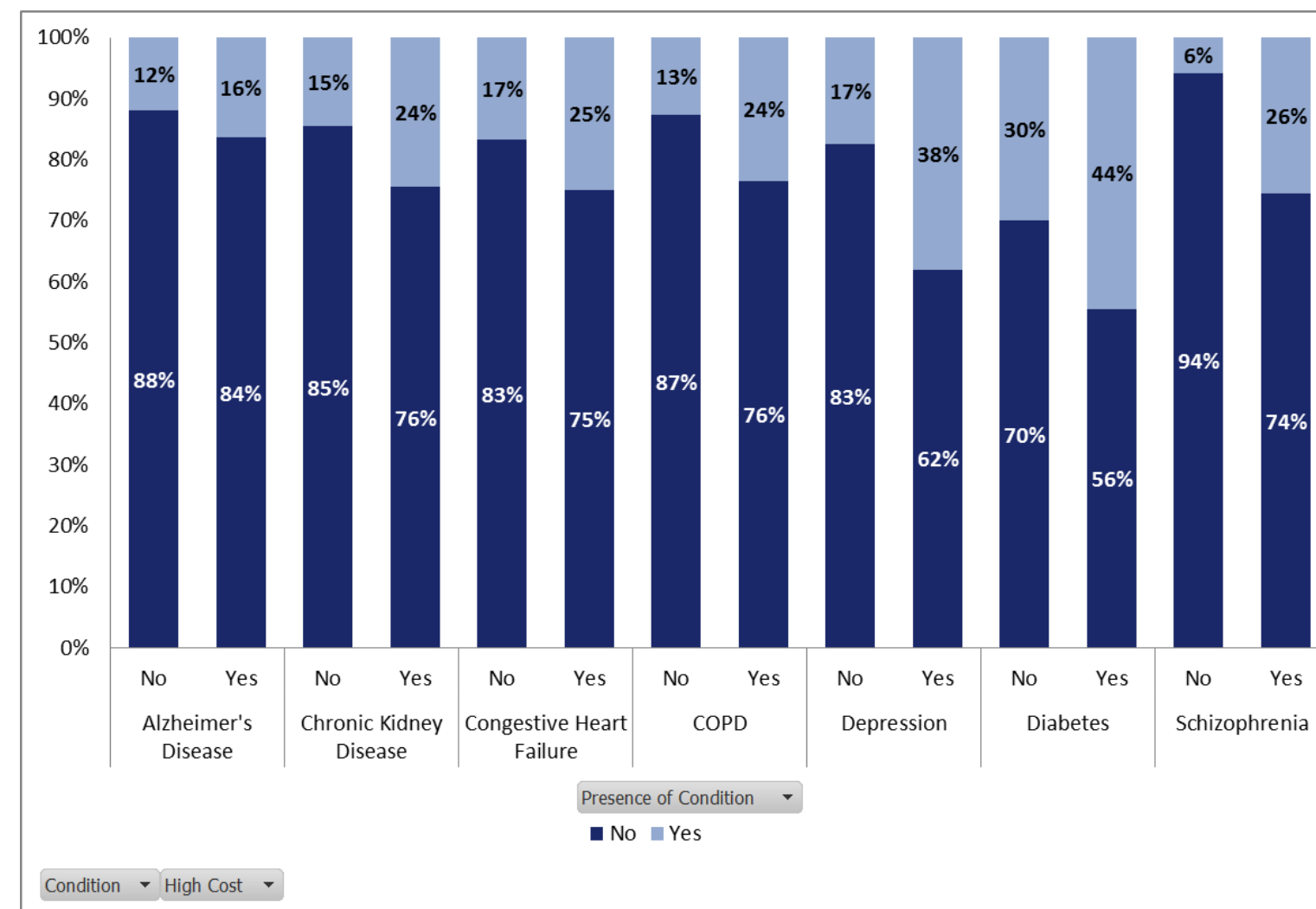
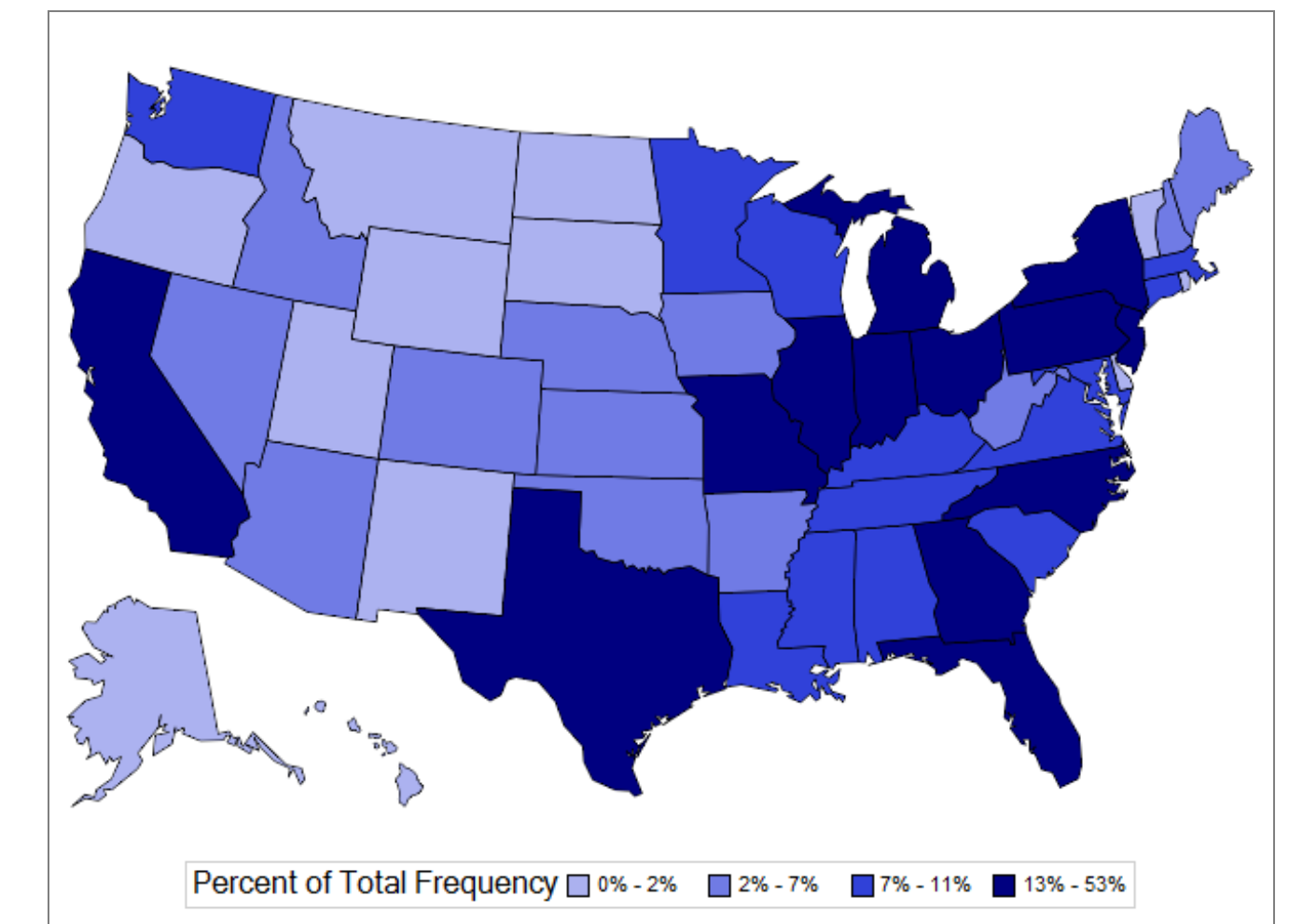


Figure 4: High Cost Group Percentage by State, 2010



CONCLUSIONS

Individuals with high annual drug cost are largely Full Benefit Medicare-Medicaid enrollees and these individuals have a higher rate of mental health disorders resulting in high cost for CNS drugs.

Interventions designed to improve care for people with mental health conditions may reduce drug costs for Medicare and Medicaid.

Table 3: Likelihood of High Cost Drug Payments, 2010

Odds Ratio Estimate and Wald Confidence Intervals			
	Odds Ratio	95% Confidence Limits	
Medicare-Medicaid Status (Medicaid- only vs. Medicare-Medicaid)	0.676	0.630	0.724
Medicare-Medicaid Status (Medicare- only vs. Medicare-Medicaid)	0.267	0.248	0.287
Age (40 – 65 vs. 65 – 85)	3.771	3.542	4.015
Age (Over 85 vs. 65 – 85)	0.493	0.433	0.560
Age (Less than 40 vs. 65 – 85)	3.366	3.063	3.700
Died during the Year (Y vs. N)	0.189	0.140	0.255
Alzheimer's Disease (Y vs. N)	1.462	1.356	1.577
Congestive Heart Failure (Y vs. N)	1.368	1.284	1.458
Schizophrenia (Y vs. N)	2.590	2.441	2.747
Depression (Y vs. N)	1.489	1.415	1.567
Diabetes (Y vs. N)	1.651	1.569	1.738
Chronic Kidney Disease (Y vs. N)	1.562	1.468	1.662
COPD (Y vs. N)	1.595	1.502	1.694

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