

ONLINE APPENDIXES

3

**Part B drug payment
policy issues**

ONLINE APPENDIX

3-A

**More information on the top 20
Part B-covered drugs
by expenditures and utilization**

Medicare Part B covers infusible and injectable drugs administered in physician offices and hospital outpatient departments. Medicare Part B also covers certain other drugs provided by pharmacies and suppliers (e.g., inhalation drugs and certain oral anticancer, oral antiemetic, and immunosuppressive drugs). Medicare pays for most Part B–covered drugs based on the average sales price plus 6 percent (ASP + 6 percent). In 2013, Medicare spending (program payments and beneficiary cost sharing) on Part B–covered drugs paid at ASP + 6 percent amounted to over \$19 billion dollars.

Part B–covered drugs vary widely in terms of their cost and the number of beneficiaries who use them.

To provide more information on the drugs paid under the ASP payment system, this appendix provides 2013 data for the top 20 Part B drugs based on:

- total Medicare expenditures,
- total number of beneficiaries using the drug,
- the average ASP + 6 payment per administration, and
- the average ASP + 6 payment per beneficiary.

**TABLE
3-A1****Top 20 Part B drugs with the highest total Medicare expenditures, 2013**

Drug	Total Medicare payments in 2013 based on ASP + 6 percent (in millions)	Number of beneficiaries who used drug in 2013	ASP + 6 percent payment per administration	ASP + 6 percent payment per beneficiary
J9310 Rituximab	\$1,514	69,844	\$5,136	\$21,262
J2778 Ranibizumab	1,368	143,464	2,013	9,240
J1745 Infliximab	1,111	59,997	3,159	18,129
J2505 Pegfilgrastim	1,101	100,753	2,978	10,611
J0178 Aflibercept	1,090	108,423	2,106	9,774
J9035 Bevacizumab	1,037	186,617	1,240	4,533
J0897 Denosumab	635	227,511	1,237	2,615
J9305 Pemetrexed	548	22,947	5,250	23,281
J9355 Trastuzumab	503	17,215	2,690	28,870
J9041 Bortezomib	453	20,285	1,462	21,889
J9033 Bendamustine	318	14,692	3,438	21,405
J0885 Epoetin alfa	312	104,410	366	2,753
J2353 Octreotide	303	10,110	3,737	29,410
J0129 Abatacept	294	20,611	1,721	14,228
J0881 Darbepoetin alfa	292	69,822	721	3,865
J9055 Cetuximab	261	9,666	2,731	26,180
J9217 Leuprolide acetate	252	147,408	755	1,709
J2785 Regadenoson	242	1,152,357	208	210
J7626 Budesonide	234	139,953	302	1,651
J2323 Natalizumab	233	7,928	3,792	29,415

Note: ASP (average sales price). Analysis includes only Part B drugs that are paid ASP + 6 percent. The ASP + 6 payments reflect the Medicare program payment and beneficiary cost sharing and are calculated before application of the sequester. Average ASP + 6 percent payment per administration and per beneficiary are calculated at the drug billing code level. These averages are calculated after removing extreme values from the data (i.e., values that are less than the 1st percentile and greater than the 99th percentile for the Healthcare Common Procedure Coding System code). Due to the exclusion of extreme values, the average ASP + 6 percent payment per beneficiary displayed in the chart may differ from the average calculated using the total payments and beneficiary count data included in the chart. Data for critical access hospitals, Maryland hospitals, and beneficiaries with Medicare as a secondary payer are excluded from the analysis. Add-on payments received by the 11 cancer hospitals are not reflected in the data.

Source MedPAC analysis of Medicare claims data for physicians, outpatient hospitals, and suppliers from CMS.

**TABLE
3-A2****Top 20 Part B drugs used by the most Medicare beneficiaries, 2013**

Drug	Total Medicare payments in 2013 based on ASP + 6 percent (in millions)	Number of beneficiaries who used drug in 2013	ASP + 6 percent payment per administration	ASP + 6 percent payment per beneficiary
J3301 Triamcinolone acetate	\$18.6	1,543,805	\$7	\$11
J2785 Regadenoson	242.3	1,152,357	208	210
J1030 Methylprednisolone 40mg	7.0	1,105,159	4	6
J1040 Methylprednisolone 80mg	9.1	896,093	6	10
J1100 Dexamethasone sodium phosphate	2.1	893,340	1	2
Q9967 LOCM 300–399mg/ml iodine	14.1	809,484	12	17
J0702 Betamethasone acetate and sodium phosphate	13.8	678,672	13	19
J3420 Vitamin B12	2.8	602,049	1	4
J7613 Albuterol	20.5	552,876	11	35
J0696 Ceftriaxone sodium	3.0	547,504	3	4
J7620 Albuterol and ipratropium bromide	31.0	407,372	19	73
J1885 Ketorolac tromethamine	0.8	386,159	1	2
A9579 Gadolinium-based magnetic resonance contrast NOS	9.0	281,177	28	30
J0897 Denosumab	635.2	227,511	1,237	2,615
J7050 Normal saline solution	0.4	217,235	0.4	2
J0131 Acetaminophen	2.7	191,162	13	13
J9035 Bevacizumab	1,037.0	186,617	1,240	4,533
J7325 Synvisc or Synvisc–One	150.3	177,544	495	841
J2469 Palonosetron	186.2	161,100	190	1,107
J1020 Methylprednisolone 20mg	1.2	157,447	5	7

Note: ASP (average sales price), mg (milligram), LOCM (low osmolar contrast material), NOS (not otherwise specified). Analysis includes only Part B drugs that are paid ASP + 6 percent. The ASP + 6 payments reflect the Medicare program payment and beneficiary cost sharing and are calculated before application of the sequester. The average ASP + 6 percent payment per administration and per beneficiary are calculated at the drug billing code level. These averages are calculated after removing extreme values from the data (i.e., values that are less than the 1st percentile and greater than the 99th percentile for the Healthcare Common Procedure Coding System code). Due to the exclusion of extreme values, the average ASP + 6 percent payment per beneficiary displayed in the chart may differ from the average calculated using the total payment and beneficiary count data included in the chart. Data for critical access hospitals, Maryland hospitals, and beneficiaries with Medicare as a secondary payer are excluded from the analysis. Add-on payments received by the 11 cancer hospitals are not reflected in the data.

Source MedPAC analysis of Medicare claims data for physicians, outpatient hospitals, and suppliers from CMS.

**TABLE
3-A3****Top 20 Part B drugs with the highest ASP + 6 payment per administration among drugs used by at least 50 beneficiaries, 2013**

Drug	Total Medicare payments in 2013 based on ASP + 6 percent (in millions)	Number of beneficiaries who used drug in 2013	ASP + 6 percent payment per administration	ASP + 6 percent payment per beneficiary
J7189 Factor viia	\$103	212	\$97,620	\$332,576
J7198 Anti-inhibitor	35	109	51,902	304,155
A9543 Y90 ibritumomab	9	220	38,852	40,472
J9600 Porfimer sodium	2	62	36,367	39,300
Q2043 Sipuleucel-T auto CD54+	179	2,065	32,446	86,922
J9228 Ipilimumab	213	2,344	31,518	89,899
J7195 Factor IX recombinant	54	296	29,412	146,315
J0221 Lumizyme	46	111	23,806	446,988
J7192 Factor viii recombinant NOS	169	905	22,850	174,380
J7193 Factor IX non-recombinant	16	113	19,955	125,192
J1300 Eculizumab	141	410	19,533	342,892
J7311 Fluocinolone acetonide	2	106	19,032	22,470
J7185 Xyntha	11	70	18,390	158,900
J7190 Factor viii	27	232	16,884	97,499
J1786 Imglucerase	45	163	15,689	273,611
J9042 Brentuximab vedotin	40	644	13,714	60,246
J3385 Velaglucerase alfa	30	107	13,476	276,446
J7186 Antihemophilic viii/vwf complex	5	55	13,310	99,353
Q4074 Iloprost	55	640	12,825	84,910
J7686 Treprostinil	172	1,793	12,606	96,002

Note: ASP (average sales price), NOS (not otherwise specified), vwf complex (von willebrand factor complex). Analysis includes only Part B drugs that are paid ASP + 6 percent. The ASP + 6 payments reflect the Medicare program payment and beneficiary cost sharing and are calculated before application of the sequester. Average ASP + 6 percent payment per administration and per beneficiary are calculated at the drug billing code level. These averages are calculated after removing extreme values from the data (i.e., values that are less than the 1st percentile and greater than the 99th percentile for the Healthcare Common Procedure Coding System code). Due to the exclusion of extreme values, the average ASP + 6 percent payment per beneficiary displayed in the chart may not equal the average calculated using the total payment and beneficiary count data included in the chart. Data for critical access hospitals, Maryland hospitals, and beneficiaries with Medicare as a secondary payer are excluded from the analysis. Add-on payments received by the 11 cancer hospitals are not reflected in the chart. Furnishing fees paid to providers of clotting factor, which increase payments by between 13 percent and 26 percent, are not reflected in the chart. Excluded from this chart are drug billing codes for which claims were submitted for fewer than 50 beneficiaries. If not for this exclusion, the following billing codes would have been included in this chart A9545 (I131 tositumomab), C9293 (glucarpidase), C9294 (Taliglucerase alfa), J0220 (Alglucosidase alfa), J1458 (Galsulfase), J1743 (Idursulfase), J2724 (protein c concentrate), and J9226 (Supprelin LA).

Source MedPAC analysis of Medicare claims data for physicians, outpatient hospitals, and suppliers from CMS.

**TABLE
3-A4****Top 20 Part B drugs with the highest ASP + 6 payment per beneficiary among drugs used by at least 50 beneficiaries, 2013**

Drug	Total Medicare payments in 2013 based on ASP + 6 percent (in millions)	Number of beneficiaries who used drug in 2013	ASP + 6 percent payment per administration	ASP + 6 percent payment per beneficiary
J0221 Lumizyme	\$50	111	\$23,806	\$446,988
J1300 Eculizumab	141	410	19,533	342,892
J7189 Factor viia	103	212	97,620	332,576
J7198 Anti-inhibitor	35	109	51,902	304,155
J3385 Velaglucerase alfa	30	107	13,476	276,446
J1786 Imuglucerase	45	163	15,689	273,611
J7192 Factor viii recombinant NOS	169	905	22,850	174,380
J0180 Agalsidase beta	42	240	10,920	174,087
J7185 Xyntha	11	70	18,390	158,900
J7195 Factor IX recombinant	46	296	29,412	146,315
J7193 Factor IX non-recombinant	16	113	19,955	125,192
J7186 Antihemophilic viii/vwf complex	5	55	13,310	99,353
J7190 Factor viii	27	232	16,884	97,499
J7686 Trepstinil	172	1,793	12,606	96,002
J9228 Ipilimumab	213	2,344	31,518	89,899
Q2043 Sipuleucel-T auto CD54+	179	2,065	32,446	86,922
Q4074 Iloprost	55	640	12,825	84,910
J9307 Pralatrexate	16	201	8,102	77,811
J0256 Alpha 1 proteinase inhibitor	50	694	2,158	71,330
J9042 Brentuximab vedotin	40	644	13,714	60,246

Note: ASP (average sales price), NOS (not otherwise specified), vwf complex (von willebrand factor complex). Analysis includes only Part B drugs that are paid ASP + 6 percent. The ASP + 6 payments reflect the Medicare program payment and beneficiary cost sharing and are calculated before application of the sequester. Average ASP + 6 percent payment per administration and per beneficiary are calculated at the drug billing code level. These averages are calculated after removing extreme values from the data (i.e., values that are less than the 1st percentile and greater than the 99th percentile for the Healthcare Common Procedure Coding System code). Due to the exclusion of extreme values, the average ASP + 6 percent payment per beneficiary displayed in the chart may differ from the average calculated using the total payment and beneficiary count data in the chart. Data for critical access hospitals, Maryland hospitals, and beneficiaries with Medicare as a secondary payer are excluded from the analysis. Add-on payments received by the 11 cancer hospitals are not reflected in the chart. Furnishing fees paid to providers of clotting factor, which increase payments by between 13 percent and 26 percent, are not reflected in the chart. Excluded from this chart are drug billing codes for which claims were submitted for fewer than 50 beneficiaries. If not for this exclusion, the following billing codes would have been included in this chart: C9293 (Glucarpidase), C9294 (Taliglucerase), J0220 (Alglucosidase alfa), J0598 (C-1 esterase, cinryze), J1458 (Galsulfase), J1743 (Idursulfase), J1913 (Laronidase), J7183 (Wilate), J9019 (Erwinaze), and J9160 (Denileukin difitox).

Source MedPAC analysis of Medicare claims data for physicians, outpatient hospitals, and suppliers from CMS.