

## BACKGROUND & OBJECTIVE

- The Centers for Medicare and Medicaid Services (CMS) estimated the US spent \$405.9 billion on retail prescription drugs in 2022.<sup>1</sup> However, these resources are inequitably distributed.
- 'Pharmaco-equity' is now on the policy agenda<sup>2</sup>, and CMS recently established a framework for health equity, which includes improving and standardizing the collection of demographic and race data and increasing health care coverage, including for prescribed medicines.<sup>3</sup>
- A challenge with many existing studies of health care utilization and spending by race/ethnicity is that they represent populations with different age structures, which confounds these comparisons.
- This research quantifies the variation in the age-standardized Medicare and Medicaid prescription drug utilization and spending per beneficiary across US states.**

## METHODS

- Using a 40% random sample of the 2019 Medicare fee-for-service and Medicaid beneficiary claims, we disaggregated prescription drug utilization, total spending, and out-of-pocket copays by race/ethnicity.
- We analyzed six mutually exclusive race/ethnicity groups: American Indian/Alaskan Native, Asian/Pacific Islander, (non-Hispanic) Black, Hispanic, (non-Hispanic) White, and Other/Unknown.
- We estimated utilization (number of prescriptions) and total spending, disaggregated by age, sex, race/ethnicity, and state.
- We report age- and sex-standardized utilization and spending using the 2019 National Medicare and Medicaid sample beneficiary populations.
- Ongoing work incorporates 'supply days' for volume, scales sample data spending to totals reported by CMS (which incorporate Medicaid rebates<sup>1</sup>), extends to commercial insurance, and examines time trends.

## RESULTS

**Table 1** shows age-standardized national-level Medicare and Medicaid prescriptions, total spending, and out-of-pocket copays per beneficiary.

Table 1: Age-standardized retail pharmaceutical utilization by race/ethnicity for Medicare Part D and Medicaid, 2019

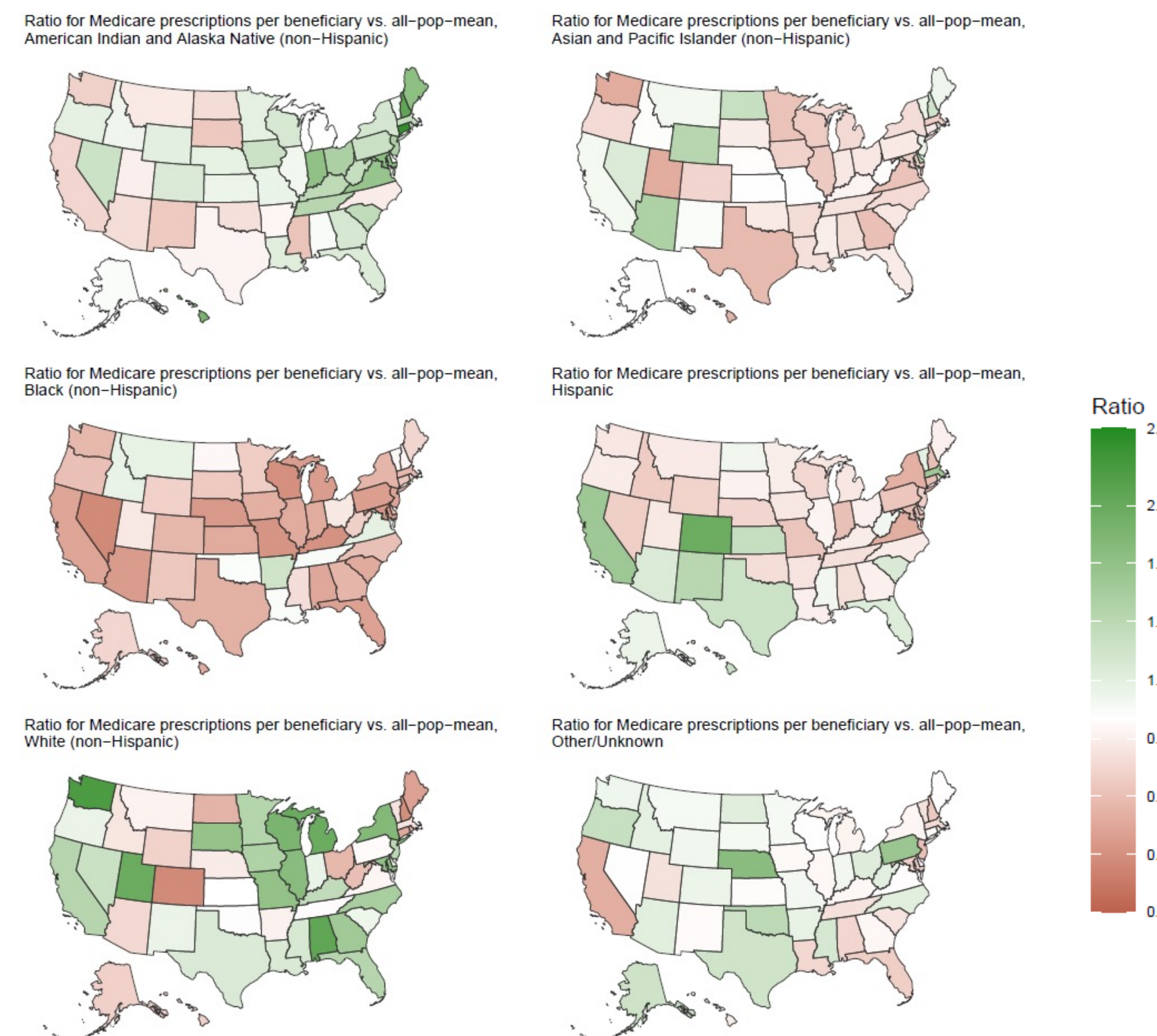
Race/ethnicity	Prescriptions per beneficiary		Total spending per beneficiary		Out-of-pocket spending per beneficiary	
	Medicare	Medicaid	Medicare	Medicaid	Medicare	Medicaid
American Indian / Alaskan Native	8.9	11.4	\$1884.0	\$1613.7	\$22.2	\$0.4
Asian and Pacific Islander	14.6	11.3	\$3771.0	\$645.0	\$26.5	\$0.2
Black	11.7	11.2	\$1958.2	\$808.8	\$16.6	\$0.4
Hispanic	16.5	9.6	\$3870.4	\$512.8	\$21.5	\$0.1
White	15.4	14.9	\$4156.9	\$1575.5	\$23.2	\$0.6
Other/Unknown	17.1	13.8	\$6168.7	\$1838.8	\$43.9	\$1.6

In the 2019 Medicare population, the race/ethnicity group with the highest utilization and total and out-of-pocket spending was the Other/Unknown group. The group with the lowest utilization, total spending, and out-of-pocket copays was the Black non-Hispanic population (11.7 prescriptions, \$1,958.2 total spending, and \$16.6 out-of-pocket copays per beneficiary).

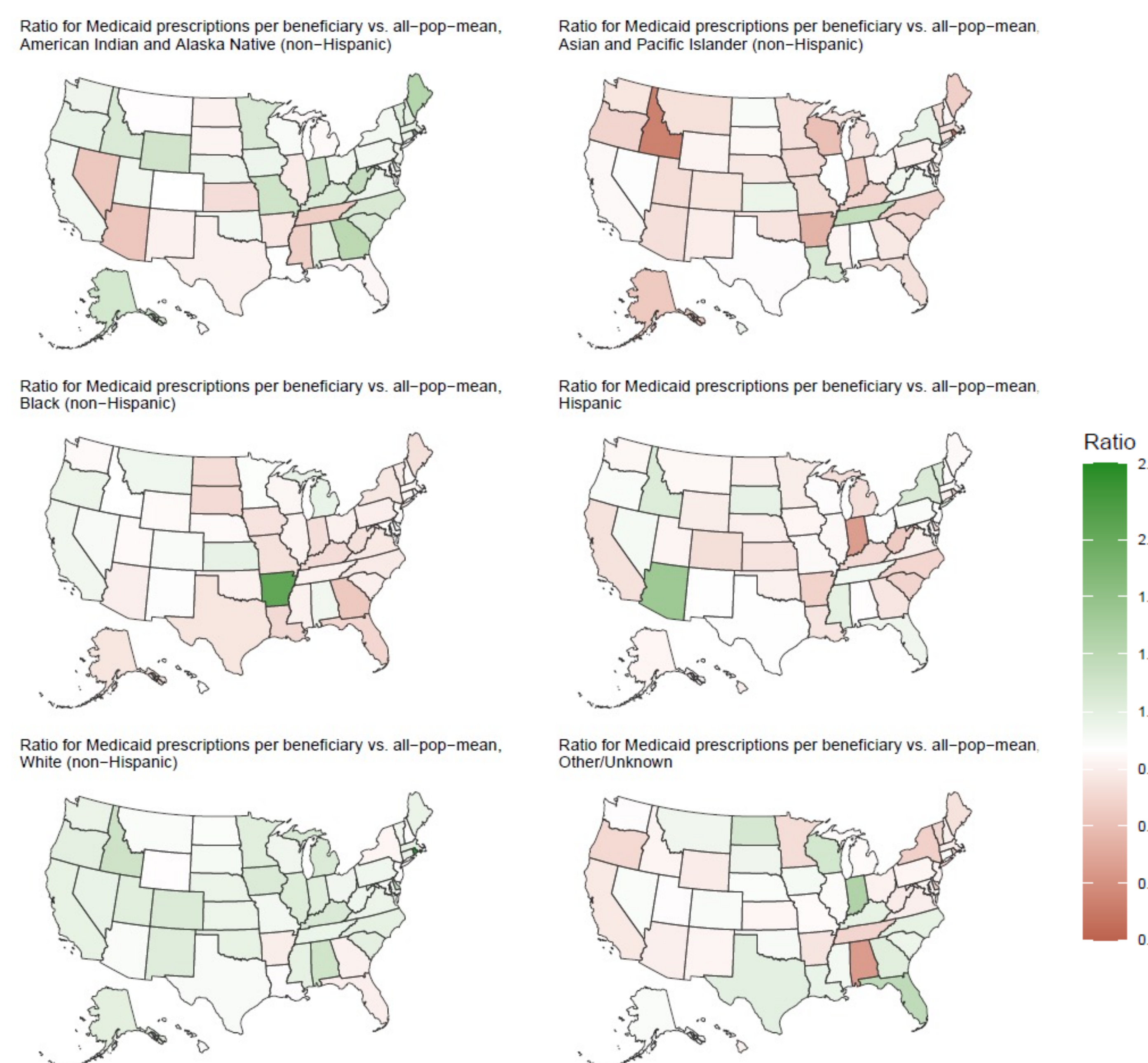
In the 2019 Medicaid population, the population with the greatest per capita utilization after age-standardizing was the White non-Hispanic population (14.9 prescriptions per beneficiary). The highest total spending was in the Other/Unknown population (\$1,838.8 per beneficiary), and out-of-pocket copays were minimal for all groups (<\$2).

## RESULTS (cont.)

**Figure 1.** Medicare Part D state-level age-standardized prescriptions per beneficiary in 2019.



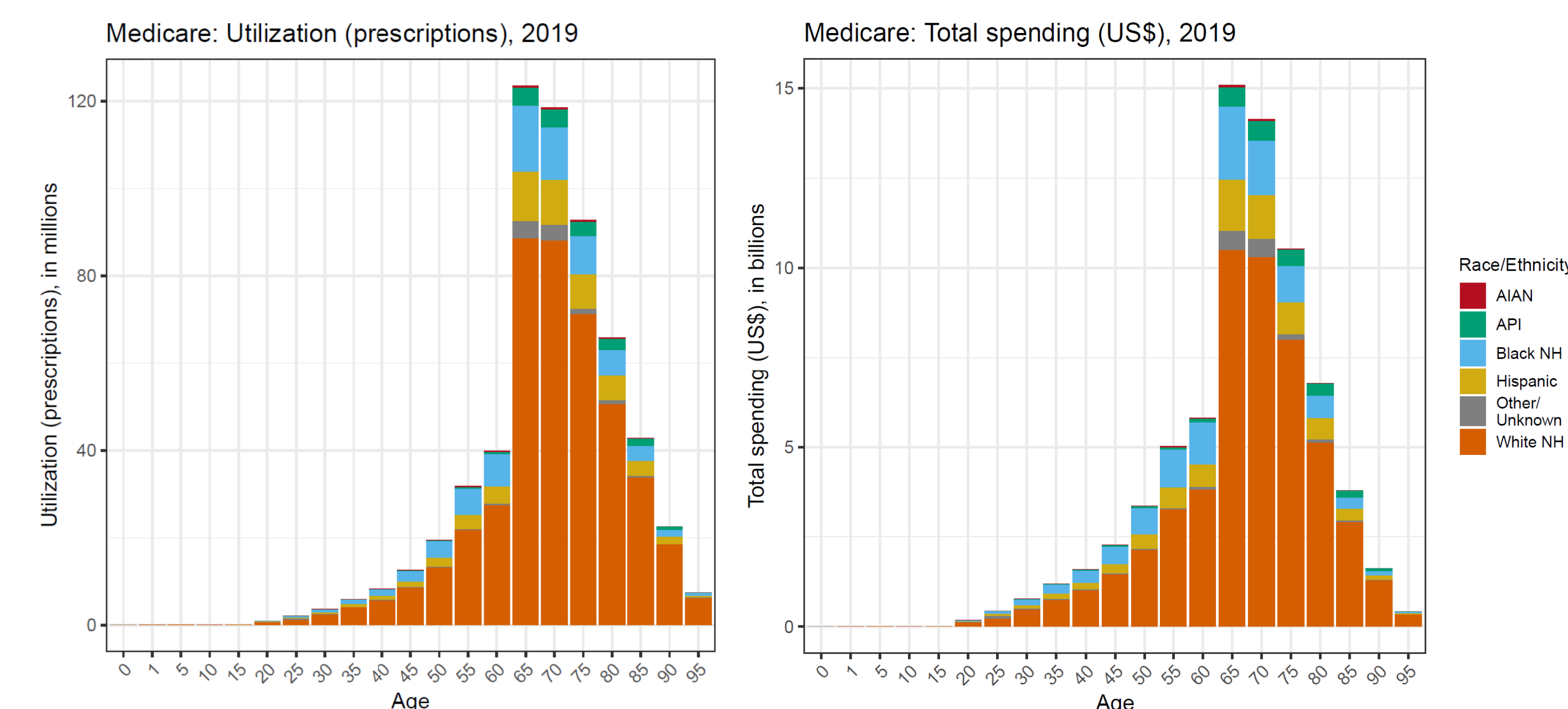
**Figure 2.** Medicaid state-level age-standardized prescriptions per beneficiary in 2019.



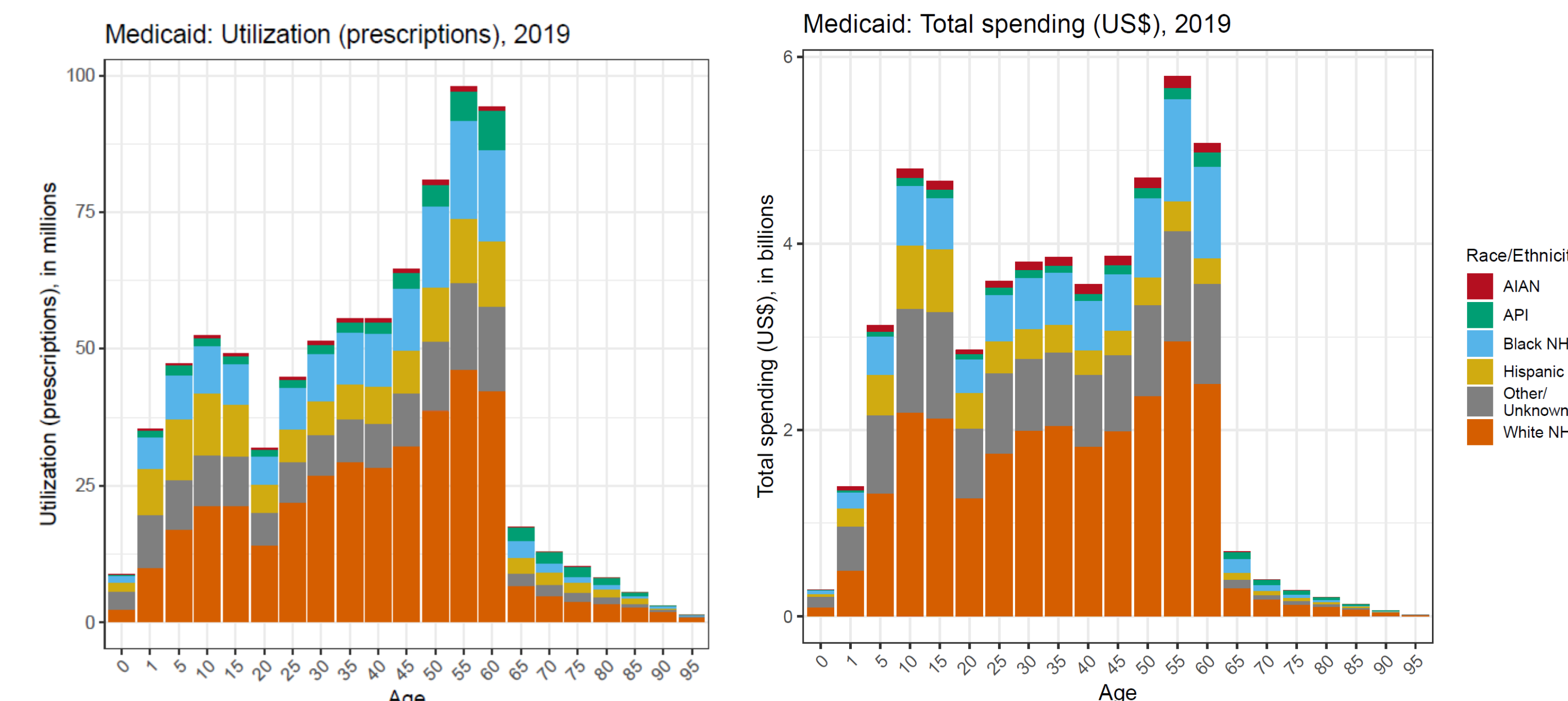
## RESULTS (cont.)

We disaggregated the utilization and spending by race/ethnicity and age group. Note that these values represent the 40% sample of prescription drug claims, not totals.

### Medicare Part D



### Medicaid



## CONCLUSIONS

- Substantial variation existed in 2019 prescription drug utilization and spending by race/ethnicity and state, particularly for Medicare, indicating ongoing disparities.
- Across most states for both Medicare and Medicaid, age-standardized per-beneficiary utilization was above the all-population mean for the White non-Hispanic population, and variable for other race/ethnicity groups.
- Total utilization and spending was highest for the White non-Hispanic group for both Medicare and Medicaid.
- Missing data for race/ethnicity in Medicaid indicates better reporting is needed.

## REFERENCES

- Centers for Medicare & Medicaid Services (CMS). National Health Expenditure data. <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/historical>. Accessed April 17, 2024.
- Essien UR, Dusetzina SB, Gellad WF. A policy prescription for reducing health disparities – achieving pharmaco-equity. JAMA. Vol 326 (18); November 2021.
- Centers for Medicare & Medicaid Services (CMS). CMS Framework for Health Equity 2022-2032. <https://www.cms.gov/files/document/cms-framework-health-equity-2022-2032.pdf>. Accessed April 17, 2024.



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