Specialty Tiered Pricing Keeps Innovative Treatments for Seriously Ill Patients Out of Reach

Under many health insurance plans, patients with serious chronic illnesses like cancer, multiple sclerosis, rheumatoid arthritis, blood diseases, hepatitis C, and Crohn’s disease generally pay higher prescription costs because their medication is often placed on a “specialty drug” prescription tier.

What are specialty tiers?

Specialty tier pricing, a practice that is on the rise, allows health plans to impose high co-insurance costs for expensive medications in lieu of a basic co-payment, resulting in higher out-of-pocket spending for chronically ill patients who are often taking multiple drugs to treat their condition.

Standard prescription tiers, which include generics, have fixed co-payments. Specialty tiers, which include more complex treatments, like biologics, require beneficiaries to pay a percentage of the actual drug price or co-insurance. For patients with chronic conditions and severe illnesses who have affordable co-pays under standard-tier prescriptions, the switch to specialty tiered pricing can drive the price of their medications to thousands of dollars a month.

Specialty Tiers Can Lead to Decreased Treatment Adherence and Increased Costs to the Health Care System

As illustrated in the graph below, when patients cannot afford their prescriptions, they often abandon their medications, resulting in more serious health complications and increasing costs to the health care system through more doctor and emergency room visits and hospitalizations.¹

Abandoned Prescriptions Increase As Co-payment Increases, Especially For New Claims

<table>
<thead>
<tr>
<th>% of claims by copayment range for new vs. refill</th>
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<td>&lt; $10</td>
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<td><img src="image" alt="Graph showing percentage of claims" /></td>
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