

Rheumatoid arthritis patients on Medicare seeing increased costs for specialty medications

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After a sharp drop in out-of-pocket costs between 2010 and 2011, Medicare patients who use specialty biologic medications for rheumatoid arthritis have seen higher out-of-pocket spending for those same drugs because of gradual price increases, a new study in the *Journal of the American Medical Association Open* finds.

Led by Vanderbilt University School of Medicine student Alexandra Erath, BA, and Stacie B. Dusetzina, Ph.D., Ingram Associate Professor of Cancer Research in the Department of Health Policy at Vanderbilt University School of Medicine, the study finds that patients filling 12 months of biologic treatment under their Medicare Part D plans would have had their out-of-pocket costs drop by more than 34% between 2010 and 2011. However, between 2010 and 2019, that price reduction was only 21%.

On average, in 2010—before the Part D coverage gap or donut hole was closed—the annual out-of-pocket spending for a patient on these drugs was \$5,858. In 2019, the annual average out-of-pocket cost was \$4,801.

"Although closing the donut hole was expected to greatly reduce out-of-pocket costs, we found that about a third of that savings has already been lost due to yearly increases in list prices," says Erath. "Going forward, seniors can expect higher annual cost increases since the donut hole is already closed."

For drugs that entered the market between 2011-2015, four of the five had higher out-of-pocket costs in 2019 than the year they entered the market. Rheumatoid arthritis (RA) patients often face high out-of-pocket expenses due to treatment with expensive specialty biologics. While it does not typically shorten [life expectancy](#), RA often requires consistent biologic therapy to remain controlled, meaning patients can face high out-of-pocket costs for decades or longer.

"There are bills in Congress that would address both the increasing prices of biologics and that would help to lower out-of-pocket costs for Medicare beneficiaries who need these drugs," said Dusetzina. "We need real reforms that lower drug prices and out-of-pocket [costs](#)."

The researchers recommend [policy makers](#) consider capping out-of-pocket spending on Medicare Part D or limiting price increases to better manage the financial burden of these medications. Legislation has been introduced in both the U.S. House and Senate that include such changes to the Medicare Part D program.

"Closing the donut hole was an important step toward ensuring seniors had affordable and predictable [drug](#) expenses, but patients taking expensive specialty drugs still face significant cost exposure," says Erath. "An annual out-of-pocket maximum or a limit on yearly cost increases would help to ensure the ongoing affordability of crucial RA treatments."

More information: Alexandra Erath et al, Assessment of Expected Out-of-Pocket Spending for Rheumatoid Arthritis Biologics Among Patients Enrolled in Medicare Part D, 2010-2019, *JAMA Network Open* (2020). [DOI: 10.1001/jamanetworkopen.2020.3969](https://doi.org/10.1001/jamanetworkopen.2020.3969)

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