

Study: Over half of top selling Medicare drugs have low added therapeutic benefit

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Brand-name drugs cost two to three times more in the U.S. than in other countries, but many of the top-selling brand name drugs may provide little added therapeutic benefit. A new study led by researchers at

Brigham and Women's Hospital, a founding member of Mass General Brigham, used public Medicare data to identify the 50 highest-selling brand-name drugs in 2020.

The researchers evaluated their [therapeutic benefit](#) compared to existing standards of care, based on ratings from the national health technology assessment (HTA) organizations of Canada, France, and Germany. The team found that 27 of the 50 drugs received low added therapeutic benefit ratings from these agencies despite comprising 11 percent of net Medicare prescription drug spending. Results are published in *JAMA*.

"Unlike many industrialized countries, the U.S. has long had no national process for assessing the clinical benefits of drugs compared with existing [treatment options](#) and then negotiating prices based on the added therapeutic benefits they offer to patients," said first author Alexander C. Egilman, BA, of the Brigham Division of Pharmacoepidemiology and Pharmacoeconomics. "Therefore, our primary motivation was to understand the added benefits of high expenditure Medicare drugs according to foreign HTA organizations."

Most of the top-selling drugs were used to treat endocrine conditions including diabetes, cancer and respiratory diseases. Data from HTA organizations were available for 49 of the drugs.

The Inflation Reduction Act of 2022 will for the first time allow Medicare to negotiate the price of top-selling drugs. According to initial guidance released by the Centers for Medicare and Medicaid services, negotiations will be heavily influenced by a drug's comparative effectiveness against therapeutic alternatives. The new study found that seven of the ten drugs likely to be selected for negotiation this September had low overall added benefit.

"The new model of price negotiation under the Inflation Reduction Act

provides a great opportunity for Medicare to stop paying excessively for top-selling drugs that do not offer meaningful clinical benefits over less expensive treatments," said corresponding author Aaron S. Kesselheim, MD, JD, MPH, of the Brigham Division of Pharmacoepidemiology and Pharmacoeconomics. "Our results suggest that Medicare has lots of bases on which to negotiate so top-selling drugs are, at a minimum, not priced higher than therapeutic alternatives."

Therapeutic benefits of each [drug](#) were determined based on the most favorable HTA rating, and ratings were not always available from all three countries. Extrapolating therapeutic ratings from foreign HTA agencies to the U.S. may not always be warranted, and the researchers suggested that the U.S. could benefit from establishing its own national HTA organization to determine therapeutic benefits.

More information: Egilman A et al., Added Therapeutic Benefit of Top-Selling Brand-Name Drugs in Medicare, *JAMA* (2023). [DOI: 10.1001/jama.2023.4034](https://doi.org/10.1001/jama.2023.4034). [jamanetwork.com/journals/jama/ ... cle-abstract/2803804](https://jamanetwork.com/journals/jama/abstract/2803804)

Provided by Brigham and Women's Hospital

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