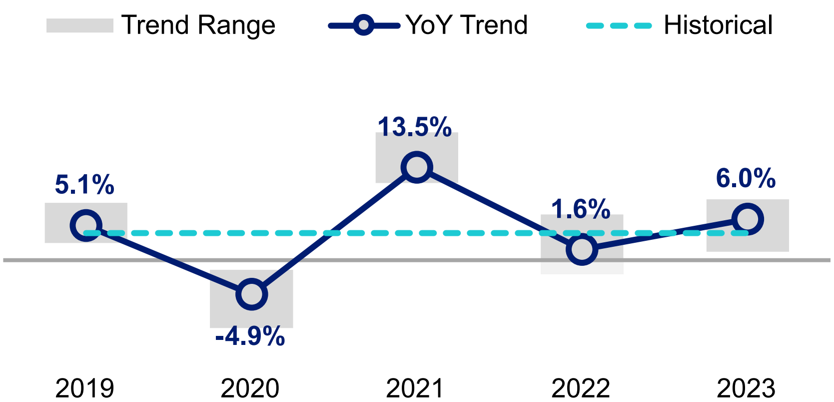
2024 Insights into Actual Medical and Prescription Drug Trends

This 2024 infographic presents key findings about health plan cost trends based on analysis of data from SHAPE, our proprietary health data warehouse. SHAPE includes information from large health plans across the United States representing a range of industries and organizations that collectively cover more than 4 million lives.

Median medical trend rate was 6% in 2023.



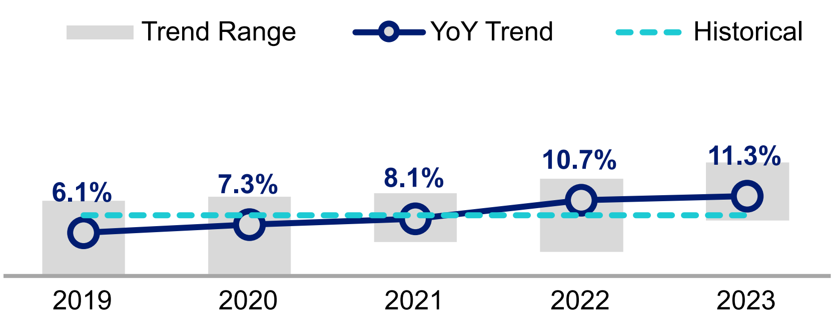
Cancer testing and treatment, behavioral health and musculoskeletal disorders continue to be the main drivers of post-pandemic medical trend.

1 Cancer testing treatment

2 Behavioral health

3 Musculoskeletal disorders

The main reason for high Rx trend in 2023 was higher utilization of glucagon-like peptide-1 receptor agonist (GLP-1) drugs used for diabetes and weight loss.



In 2023, in addition to GLP-1s, other major drivers of Rx expenses include medications used to treat four conditions.

1 Multiple sclerosis (e.g., Kesimpta®)

2 Cancer (e.g., Verzenio®)

3 Autoimmune diseases (e.g., Rinvoq®)

4 Migraines (e.g., Nurtec®)

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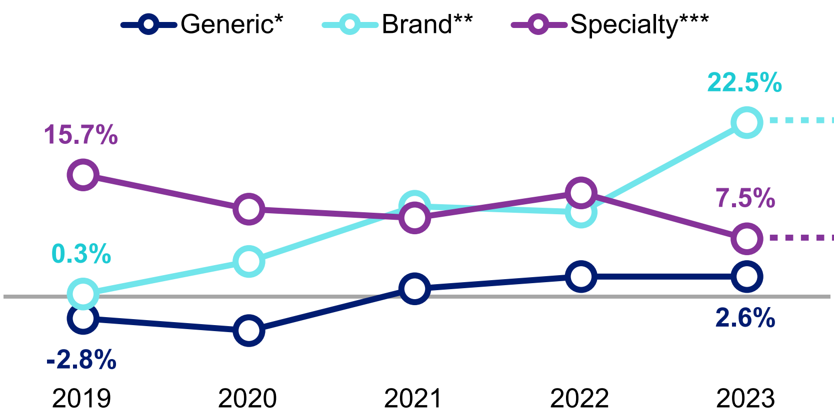
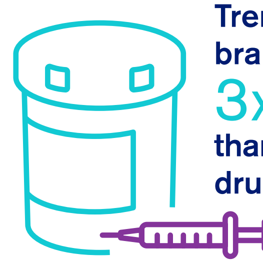
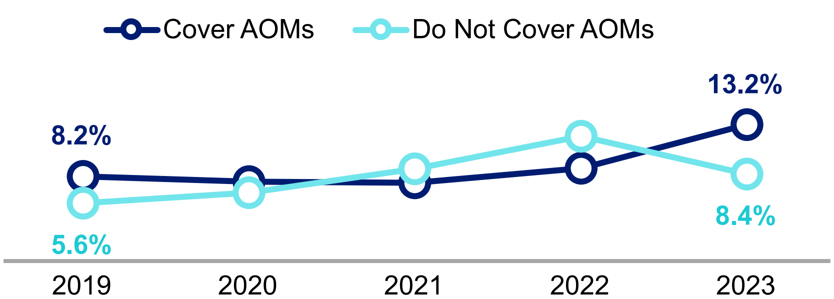
In 2023, trend for brand drugs far outpaced specialty drugs — a reversal of the historical pattern of specialty drugs being the main driver of Rx trends.



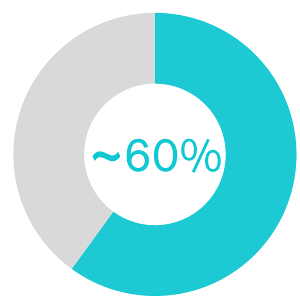


* Generic includes traditional, non-specialty drugs.
** Brand includes traditional, non-specialty drugs.
*** Specialty includes generic and brand drugs.

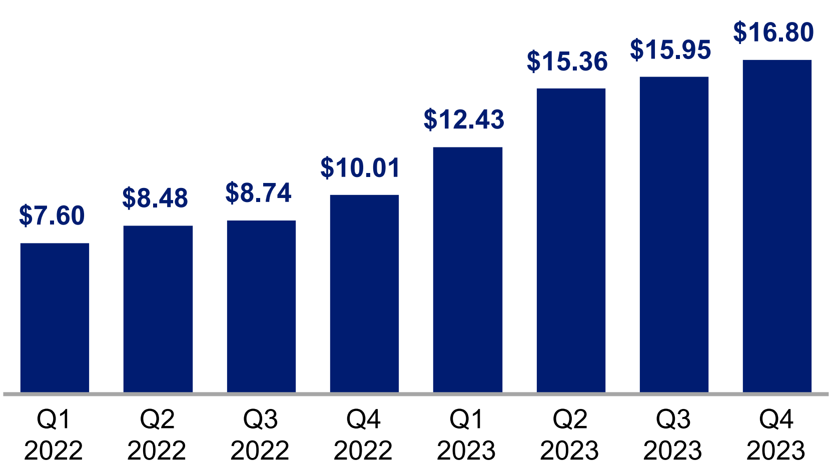
Plans that cover anti-obesity medications (AOMs) experienced significantly higher trend in 2023 than plans that do not cover AOMs: 13.2% compared to 8.4%.



Almost two-thirds of plans in the SHAPE data warehouse cover AOMs.



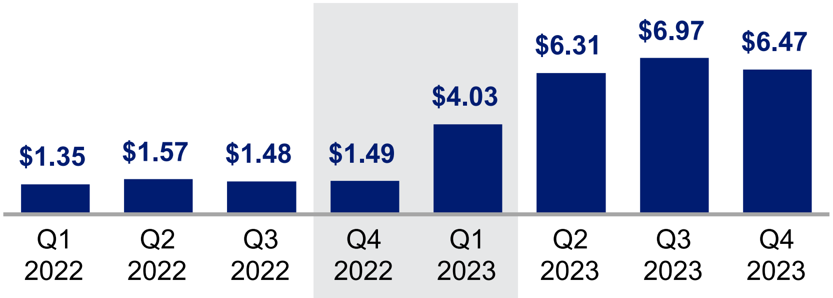
The gross allowed cost per member per month (PMPM) for anti-diabetic GLP-1s (e.g., Mounjaro®, Ozempic® and Rybelus®) increased 121% from Q1 2022 to Q4 2023.



The largest quarter-over-quarter increase occurred at the beginning of 2023, when Mounjaro was widely introduced.

From Q4 2022 to Q1 2023, the gross allowed costs PMPM increased almost 25%.

The gross allowed cost PMPM for anti-obesity GLP-1s (e.g., Saxenda® and Wegovy®), which was under $2 PMPM through 2022, increased significantly beginning in Q1 2023 when Wegovy reached the marketplace.

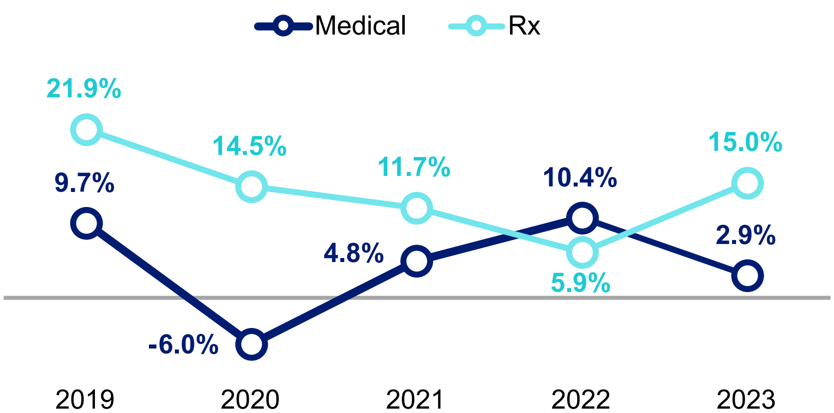


The ongoing monthly cost of Wegovy, the anti-obesity version of Ozempic, is nearly double the cost of Ozempic.*

$1,375	$778
Wegovy	**Ozempic**

* GLP-1 medications are generally approved under alternative brand names for diabetes vs. weight loss for identical chemical ingredients. Often, weight-loss counterparts carry higher list prices than those approved for diabetes. (For semaglutide, Wegovy vs. Ozempic and tirzepatide, Zepbound vs. Mounjaro). Dosing might be different, too.

Cancer medical cost trend in 2023 was lower than general medical trend because more cancer costs are being shifted to the pharmacy benefit. In 2023, cancer prescription drug cost trend was 15%.

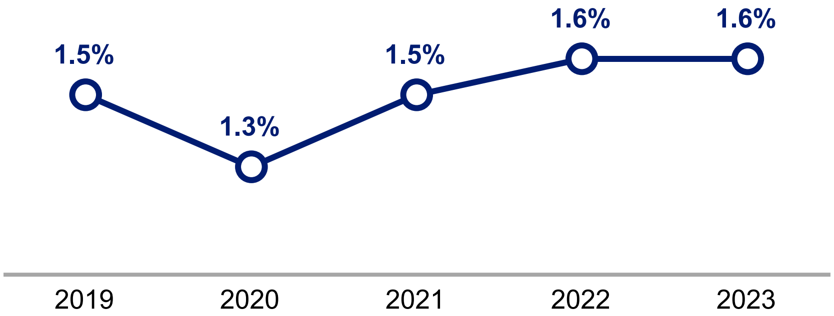


Costs related to cancer treatment have been driven by several cancer types.

1. **Gastrointestinal**
2. **Prostate***
3. **Urinary system**
4. **Head and neck**
5. **Breast***

* These cancers have recommendations for preventive screenings.

Preventive cancer screenings in 2023 (and 2022) were higher than pre-pandemic levels for all cancers except cervical, likely leading to a slight increase in cancer prevalence* in 2022 and 2023.



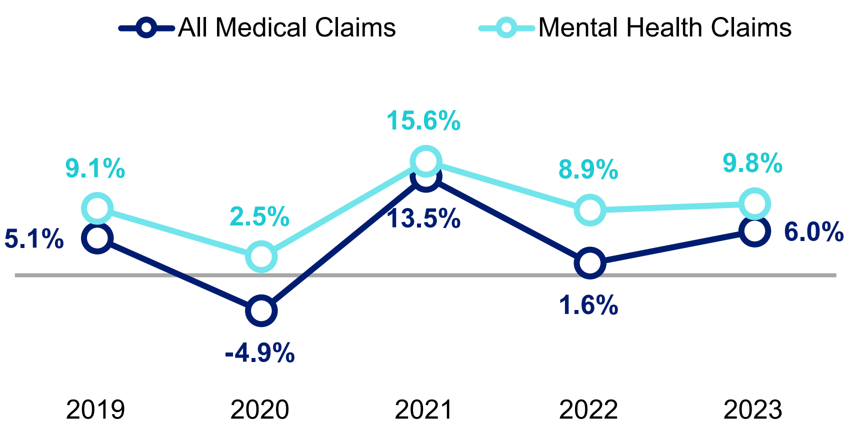
* Prevalence is defined as the percentage of health plan participants being treated for cancer in a given year.

Cancer prevalence has been driven by five cancer types, including two that differ from the cancer types noted on the previous page.

1. Prostate*
2. Gastrointestinal
3. Breast*
4. Urinary system
5. Colorectal*

* These cancers have recommendations for preventive screenings.

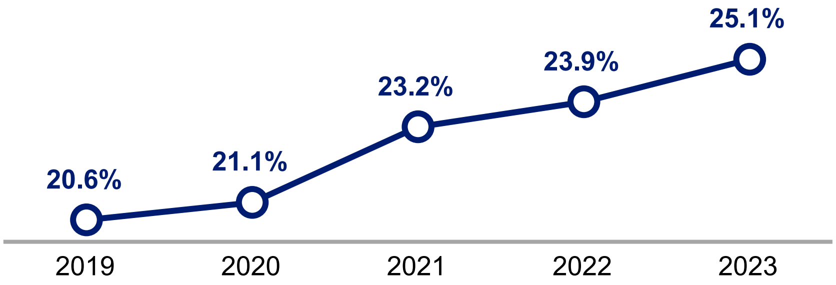
Mental health costs increased nearly 10% in 2023 and have been higher than general medical trend in each of the last five years.



Five conditions are the main drivers of mental health cost trends.

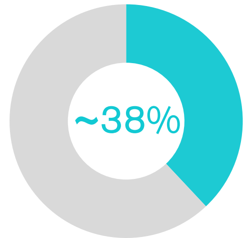
1. Gender-identity disorders
2. Developmental disorders (e.g., autism)
3. Anxiety
4. Obsessive-compulsive disorder
5. Attention-deficit/hyperactivity disorder

Mental health prevalence* continues to increase, driven by increased access to care through the expansion of telehealth and improvements in provider networks.

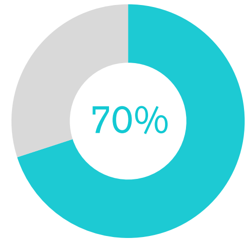


* Prevalence is defined as the percentage of health plan participants being treated for mental health conditions in a given year.

Percent of All Mental Health-Related Visits Done Virtually*



Percent of All Virtual Visits* that Are Related to Mental Health



* The main conditions being treated via telehealth are anxiety, trauma and depression.

How do your plan's medical and Rx trends compare to this data?

Do you know what's driving those trends?

To learn more about our SHAPE health data warehouse and how you can use it to benchmark your plan's experience and performance, get in touch with one of the following subject matter experts:

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