

RUNAWAY

AFFORDABLE PRICES FOR REAL CURES



[RunawayRx](#), a project of the California Association of Health Plans, highlights noteworthy articles and information on the acceleration of prescription drug pricing.

This weekend [CALmatters](#) revealed new data showing large spikes in drug spending for taxpayer-funded programs like Medi-Cal, CalPERS and the state prisons. High-priced drugs continue to blow holes in state budgets, yet the public and policymakers are kept in the dark on how these prices are set. It's time for drug price transparency.

What's California's prescription for rising drug costs?

Pauline Bartolone
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"Despite recent cost-cutting measures, such as putting tighter controls on which patients get coverage for which drugs and when, California's spending on pharmaceuticals has gone up, and so has the number of pricey drugs it is covering. It's not clear state agencies have the means to balance drug cost pressures in a way that serves the best interests of patients, taxpayers and public health."

"...A [CALmatters](#) analysis found that state prisons, a California

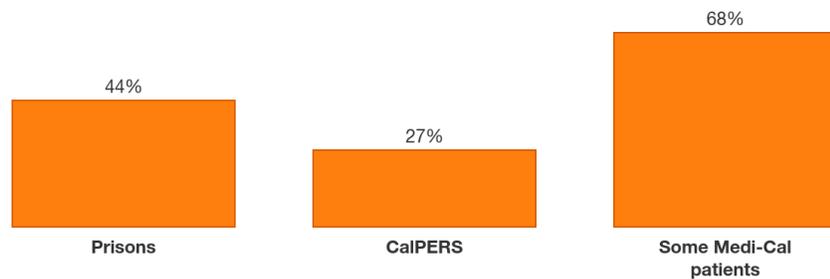
public pension system, and a subset of the Medi-Cal program spent \$600 million more on pharmaceuticals in 2014 than in 2012. That does not include the Medi-Cal population in a health plan, nor does it account for discounts the state may have received from drugmakers. Over the past decade, Medi-Cal has seen a 57 percent increase in the drugs it covers that cost \$600 or more per prescription. And when it comes to hepatitis C drugs alone, Medi-Cal estimates it will spend almost \$482 million over this fiscal year and last. As of September 2015, only 4,200 Medi-Cal patients had received the drugs in that time period, out of 237,000 who are estimated to have the disease."

"No one has (an) unlimited budget ... not even in America," says Melissa Mantong, a pharmaceutical consultant who makes recommendations to CalPERS management. "At some point, the resources we have, it's not going to be able to take care of all the people that we need to take care of if we don't use our resources wisely."

Read more at <https://calmatters.org/articles/california-takes-measures-to-control-drug-spending-but-costs-soar/>. For more information, please visit www.RunawayRx.org or follow us on Twitter at [@Runaway Rx](https://twitter.com/RunawayRx).

State sees increase in drug spending

The percent increase in pharmaceutical spending, 2009 to 2014, per inmate in the California Department of Correction and Rehabilitation, per member of the California Public Employees Retirement System, and for the 20 percent of Medi-Cal enrollees whose health services are directly reimbursed by the state.



This Medi-Cal data does not represent the majority of the program's membership, whose care is managed by a health plan, and may involve different cost trends. The Medi-Cal figures may also be inflated by certain drugs that are directly reimbursed by Medi-Cal for patients in health care plans. State prison spending includes money spent on prosthetics and other medical supplies. These figures do not reflect additional rebates from drugmakers that would lower per member costs.