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## How Often Do Medicare Plans Favor Brand over Generic Drugs?

New data published by researchers affiliated with Johns Hopkins University reveal the extent to which Medicare Part D plans, which are privately administered, favor brand drugs over their generic equivalents.

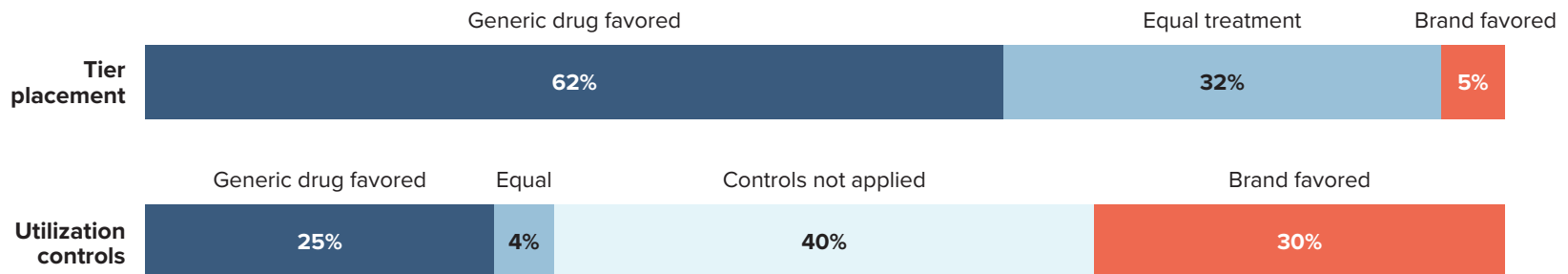
Brand drugs are typically more expensive than generics, but some plans may favor branded drugs because they offer larger rebates — a potential profit source for drug middlemen. To increase generic competition, HHS is considering a ban on rebates for Part D drugs.

Drug plans have multiple ways they can favor one product over another. Some products are placed at different tiers of cost sharing — a product with favorable **tier placement** will have lower out-of-pocket costs for patients.

Drug plans can also subject products to different **utilization controls**, which place restrictions on patient access. A disfavored product has more controls, meaning a patient may need to obtain special permission from their insurer or try other products first before being allowed to access their first choice. According to the authors, this kind of favorable treatment is more frequently given to brand drugs.

### How often Medicare Part D plans favored certain types of drugs in their formularies

Among 222 multi-source drugs covered by all Part D plans



For **67 drugs**, the branded product was subject to fewer utilization controls than the generic equivalent

Source: Mariana Socal, Ge Bai and Gerard Anderson, "Favorable formulary placement of branded drugs in Medicare prescription drug plans when generics are available," JAMA Internal Medicine

By Tucker Doherty, POLITICO Pro DataPoint

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