

Inflation rates for specialty medications accelerated over the past 4 years

A retrospective analysis of pricing behavior

Background

In 2022, specialty medications accounted for **51%** (equating to \$324 billion) of total non-discounted spend. To date, no standard definition of specialty pharmacy has been published; however, the characteristics of specialty medications are often identified as high-cost medications for complex disease states that require clinical monitoring to optimize therapeutic benefits and often have special access conditions required by the manufacturer, payer or both.

In recent years, numerous federal and national organizations have evaluated pricing behavior to project the impact of price changes on national pharmaceutical budgets. A **recent HHS analysis** noted the average price change for single-source drugs between January 2022 and January 2023 was 7.4%.

The purpose of this analysis is to retrospectively review pricing behavior for single-source specialty medications.

Methodology

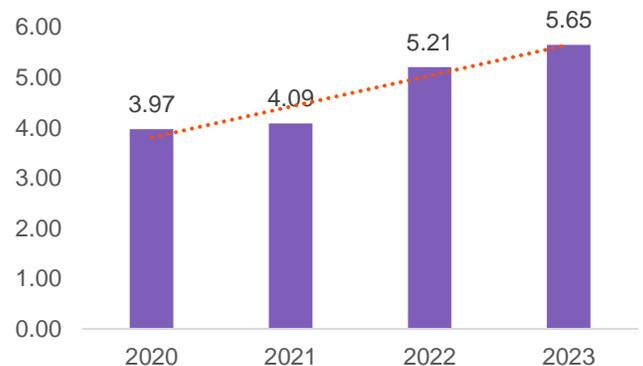
The wholesale acquisition cost (WAC) was evaluated for single-source, specialty medications, per Vizient definition, during the time frame of 2020 to 2023. Prices were recorded at the package size for each price change. Further analysis was conducted on price changes detailed by therapeutic class including autoimmune and inflammatory, cardio-pulmonary, genetics, hematology, infectious diseases, neurology and oncology.

Findings

Our analysis captured a total of 635 specialty medications. Of the 635 drugs, 442 (70%) specialty medications experienced at least one price change between 2020 and 2023.

The average price change increased each year from 2020 to 2023 (Figure 1), with 2022 having the highest rate of increase at 27.4% higher than 2021 (4.09% to 5.21%). Additionally, in 2022, medications were more likely to see a secondary price increase compared with 2023 (28% vs. 22%).

Figure 1. Average price change per year (percentage)



7.5%

Average inflation rate from 2022 through 2023 for neurology medications used to treat movement disorders such as Parkinson's, the highest for all disease states evaluated



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A full report will be released in 2024, including additional medication pricing insights.



To learn more, contact pharmacyquestions@vizientinc.com.

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