



# Access to Cancer Drugs in Medicare Part D

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## Background

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- 700,000 Medicare beneficiaries diagnosed with cancer annually; Medicare spending of \$7.3 billion in 2004
- Medicare drug benefit expands coverage to previously non-covered oral and self-injectible cancer drugs
- CMS reviews Part D plan formularies to ensure non-discrimination
- CMS required coverage of “all or substantially all” anti-neoplastics in 2006

# ■■■ Objectives

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- Analyze Medicare Part D plan formularies
- Assess variation in coverage and cost-sharing for oral and self-injectible cancer drugs
- Explore implications for beneficiary access

## Methods

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- Defined universe of drugs FDA-approved to treat cancer
- Included oral, subcutaneous injection, topical, elixir and suspension forms
- Excluded infused chemotherapy drugs, cancer supportive care, and oral cancer drugs covered by Medicare Part B
- Coded drugs as brand-name or generic
- Analyzed 1 February 2006 extract of the CMS Prescription Drug Plan Formulary and Pharmacy Network Files
- Examined data on plan characteristics, formulary characteristics and copayments or coinsurance

# Coverage of Cancer Drugs on Part D Plans' Formularies

	Type of Plan		
	PDPs (n=1,446)	Regional MA-PD plans (n=51)	Local MA-PD plans (n=1,496)
<b>Percent of Cancer Drugs On Formulary</b>			
All Drugs	75%	85%	75%
Brand	70	82	71
Generic	99	100	98
<b>Percent of Cancer Drugs Covered with Prior Authorization</b>			
All Drugs	10	3	10
Brand	12	4	11
Generic	4	1	3
<b>Percent of Cancer Drugs Covered with Quantity Limit</b>			
All Drugs	4	4	3
Brand	5	4	4
Generic	3	0	2

Source: Authors' analysis of CMS Prescription Drug Plan Formulary and Pharmacy Network Files, February 1, 2006 data transfer.



## Formulary Presence and Tiers: Brand-Name Cancer Drugs

Brand Name	PDPs (N=1,446 Plans)		MA-PDs* (N=1,547 Plans)	
	Percent On-Formulary	Mean Tier	Percent On-Formulary	Mean Tier
Ceenu	100%	2.2	100%	2.2
Thioguanine	100%	2.1	100%	2.3
Targretin	100%	2.8	100%	2.7
Tarceva	100%	3.1	100%	3.1
Aromasin	100%	2.4	99.9%	2.4
Hexalen	100%	2.7	99.9%	2.7
Femara	100%	2.3	99.9%	2.4
Lysodren	100%	2.4	99.9%	2.4
Teslac	100%	2.5	99.9%	2.5
Leukeran	100%	2.1	99.9%	2.1
Casodex	100%	2.4	99.8%	2.4
Emcyt	100%	2.3	99.8%	2.2
Matulane	100%	2.4	99.7%	2.4
Arimidex	100%	2.3	99.1%	2.4
Gleevec	100%	3.1	98.8%	3.1

\* Combined Local and Regional MA Plans  
 Source: Authors' analysis of CMS Prescription Drug Plan Formulary and Pharmacy Network Files,  
 February 1, 2006 data transfer.



## Formulary Presence and Tiers: Generic Cancer Drugs

Ingredient Name	PDPs (N=1,446 Plans)		MA-PDs* (N=1,547 Plans)	
	Percent On-Formulary	Mean Tier	Percent On-Formulary	Mean Tier
Prednisone	100%	1.0	100%	1.0
Dexamethasone	100%	1.0	99.9%	1.0
Flutamide	100%	1.2	99.9%	1.2
Tamoxifen Citrate	100%	1.1	99.8%	1.1
Megestrol Acetate	100%	1.1	99.5%	1.1

\* Combined Local and Regional MA Plans

Source: Authors' analysis of CMS Prescription Drug Plan Formulary and Pharmacy Network Files, February 1, 2006 data transfer.



## Formulary Presence: Ten Least-Often Covered Cancer Drugs

Ingredient Name	Brand Name	Percent On-Formulary	
		PDPs (N=1,446 Plans)	MA-PDs* (N=1,547 Plans)
Methyltestosterone	Virilon	0%	4%
<b>Flutamide</b>	Eulexin	17%	19%
Hydroxyurea	Hydrea	16%	27%
<b>Dexamethasone</b>	Decadron	24%	27%
Toremifene	Fareston	22%	30%
Mercaptopurine	Purinethol	23%	32%
<b>Tamoxifen</b>	Nolvadex	29%	37%
<b>Megestrol acetate</b>	Megace	37%	38%
Methyltestosterone	Android	36%	47%
Methyltestosterone	Testred	42%	45%

\* Combined Local and Regional MA Plans

Source: Authors' analysis of CMS Prescription Drug Plan Formulary and Pharmacy Network Files, February 1, 2006 data transfer.



## Cost-Sharing: Brand-Name Cancer Drugs

Brand Name	PDPs (N=1,446 Plans)		MA-PDs* (N=1,547 Plans)	
	% of Plans Using Copay	Median Copay	% of Plans Using Copay	Median Copay
Ceenu	84%	\$28	82%	\$30
Thioguanine	86%	\$28	78%	\$29
Targetetin	56%	\$30	64%	\$35
Tarceva	43%	\$40	50%	\$35
Aromasin	84%	\$30	78%	\$30
Hexalen	61%	\$30	67%	\$35
Femara	84%	\$29	78%	\$30
Lysodren	84%	\$30	78%	\$30
Teslac	70%	\$29	71%	\$30
Leukeran	84%	\$27	82%	\$29
Casodex	84%	\$30	78%	\$30
Emcyt	82%	\$29	80%	\$28
Gleevec	42%	\$30	49%	\$35
Matulane	84%	\$30	77%	\$30
Arimidex	84%	\$29	78%	\$30

\* Combined Local and Regional MA Plans  
 Source: Authors' analysis of CMS Prescription Drug Plan Formulary and Pharmacy Network Files, February 1, 2006 data transfer.



## Cost-Sharing: Generic Cancer Drugs

Ingredient Name	PDPs (N=1,446 Plans)		MA-PDs* (N=1,547 Plans)	
	% of Plans Using Copay	Median Copay	% of Plans Using Copay	Median Copay
Prednisone	91%	\$5	84%	\$5
Dexamethasone	91%	\$5	87%	\$5
Flutamide	91%	\$5	82%	\$5
Tamoxifen Citrate	91%	\$5	87%	\$5
Megestrol Acetate	91%	\$5	87%	\$5

\* Combined Local and Regional MA Plans

Source: Authors' analysis of CMS Prescription Drug Plan Formulary and Pharmacy Network Files, February 1, 2006 data transfer.



## Implications

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- Expanded access to cancer drugs under Medicare Part D
- “All or substantially all” policy
- Prior authorization applied more often to brand-name drugs than generics
- Copayments more often than coinsurance; \$5 to \$40 copayments
- Patient out-of-pocket cost is generally higher with coinsurance
- Part D coverage gap may have significant impact for Medicare beneficiaries with cancer