

Specialty Drug Cost Analysis in Medicare Advantage Plans

Overview

Specialty drugs are high-cost prescription medications used to treat complex, chronic conditions such as cancer, autoimmune diseases, multiple sclerosis, and rare genetic disorders. Despite comprising a small fraction of total prescriptions, they contribute significantly to Medicare spending.

This project aims to analyze the rising costs of specialty drugs under Medicare Advantage plans by:

- Understanding cost trends within Medicare Advantage.
- Identifying key cost drivers such as manufacturer pricing, policy changes, and supply chain factors.
- Assessing the financial impact on beneficiaries, insurers, and healthcare providers.
- Exploring policy and operational strategies to manage rising costs.

Data Source

Our analysis is based on publicly available data from CMS:

 [Medicare Part D Drug Spending Dashboard](#)

Progress This Week

Background Research & Problem Definition

- Reviewed the significance of specialty drug costs in Medicare Advantage plans.
- Explored existing literature and datasets to understand cost variations and trends.
- Identified major price drivers: patent protections, limited competition, and manufacturing complexity.

Data Selection & Initial Analysis

- Extracted the top 50 most expensive drugs in Medicare Advantage based on per-beneficiary spending.
- Filtered specialty drugs using CMS classifications and brand name/high-cost criteria.
- Exported filtered specialty drug data for further analysis.

Technical Work Completed

- Identified high-cost specialty drugs using a predefined spending threshold.

Next Steps

- Perform detailed trend analysis on specialty drug costs over time.
- Examine Medicare enrollment data and its effect on specialty drug spending.