

STATISTICAL BRIEF #109

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The Top Five Therapeutic Classes of Outpatient Prescription Drugs Ranked by Total Expenses for the Medicare Population Age 65 and Older in the U.S. Civilian Noninstitutionalized Population, 2003

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Introduction

This Statistical Brief provides a summary of the top five therapeutic classes of outpatient prescription drugs for Medicare beneficiaries age 65 and older when ranked by total expenses, as reported by households in the U.S. civilian noninstitutionalized population in calendar year 2003. The brief also provides estimates for the Medicare population age 65 and older on the percentage of annual prescribed drug expenses the top five therapeutic classes represent, the percentage of those with a prescribed drug expense having an expense in these classes of drugs, and the mean expenses in these classes of drugs.

The estimates in this brief are derived from the Household Component of the 2003 Medical Expenditure Panel Survey (MEPS-HC). Over-the-counter drugs and free samples are not included in these estimates. All results discussed are statistically significant at the 0.05 level.

Findings

In 2003, the top five therapeutic classes for prescribed drugs purchased by the Medicare population age 65 and older when ranked by annual expenses totaled \$43.9 billion and represented 73.9 percent of the \$59.4 billion total expenses for this population on prescription drugs (estimates not shown). Cardiovascular agents ranked first in terms of total expenses at \$15.0 billion and were higher than total expenses for the remaining top five therapeutic classes: antihyperlipidemic agents (\$8.8 billion), hormones (\$7.8 billion), central nervous system agents (\$6.8 billion), and gastrointestinal agents (5.5 billion). In addition, total annual expenses for antihyperlipidemic agents and hormones were higher than total expenses for gastrointestinal agents. (figure 1)

Highlights

- In 2003, for Medicare beneficiaries age 65 and older, the top five therapeutic classes when ranked by total expenses were cardiovascular agents (\$15.0 billion), antihyperlipidemic agents (8.8 billion), hormones (\$7.8 billion), central nervous system agents (\$6.8 billion), and gastrointestinal agents (\$5.5 billion).
- Annual expenditures for the top five therapeutic classes totaled \$43.9 billion and represented nearly three-quarters (73.9 percent) of annual expenditures spent on prescription drugs by the Medicare population age 65 and older (\$59.4 billion).
- Of the top five therapeutic classes when ranked by total expenses, cardiovascular agents had the highest percentage of Medicare beneficiaries age 65 and older with a prescribed drug expense having such an expense (72.7 percent).
- In 2003, cardiovascular agents accounted for a quarter (25.2 percent) of prescription drug spending by Medicare beneficiaries age 65 and older.
- The average expense for antihyperlipidemic agents (\$105.53) and gastrointestinal agents (\$105.02) was higher than that for the remaining three of the top five therapeutic classes (cardiovascular agents, \$45.76; hormones, \$56.35; and central nervous system agents, \$66.67).

In 2003, annual expenses for cardiovascular agents represented a quarter (25.2 percent) of total prescription drug expenses by the Medicare population age 65 and older. This 25.2 percent was higher than any of the remaining top five therapeutic classes (antihyperlipidemic agents, 14.8 percent; hormones, 13.1 percent; central nervous system agents, 11.4 percent; and gastrointestinal agents, 9.2 percent). The percentage that antihyperlipidemic agents represented (14.8 percent) was higher than the percentages that central nervous system agents (11.4 percent) and gastrointestinal agents (9.2 percent) represented. In addition, the percentages of total drug expenses by those 65 and older with Medicare that hormones (13.1 percent) and central nervous system agents (11.4 percent) represented were higher than the percentage represented by gastrointestinal agents (9.2 percent). (figure 2)

In 2003, the category cardiovascular agents had the highest percentage of Medicare beneficiaries age 65 and older with a prescribed drug expense purchasing at least one (72.7 percent) as compared to the other four categories in the top five therapeutic classes of prescription drugs when ranked by total expenses. The percentage of Medicare beneficiaries age 65 and older purchasing a gastrointestinal agent (26.6 percent) and the percentage purchasing an antihyperlipidemic agent (37.2 percent) was lower than the percentage purchasing a hormone (47.3 percent) and the percentage purchasing a central nervous system agent (45.7 percent). Moreover, the percentage purchasing a gastrointestinal agent (26.6 percent) was lower than the percentage purchasing an antihyperlipidemic agent (37.2 percent). (figure 3)

Of the top five therapeutic classes when ranked by total expenses for Medicare beneficiaries age 65 and older in 2003, cardiovascular agents had the lowest average expense (\$45.76) as compared with the average expense for the remaining four classes. Antihyperlipidemic agents and gastrointestinal agents had a higher average expense (\$105.53 and \$105.02, respectively) than the remaining three categories in the top five therapeutic classes (hormones, \$56.35; central nervous system agents, \$66.67; and cardiovascular agents, \$45.76). In addition, central nervous system agents had a higher average expense than hormones. (figure 4)

Definitions/Methodology

Therapeutic classes were assigned to drugs using Multum Lexicon variables from Cerner Multum, Inc. For additional information on these and other Multum Lexicon variables, as well as the Multum Lexicon database itself, please refer to the following Web site: www.multum.com/Lexicon.htm.

About MEPS-HC

MEPS-HC is a nationally representative longitudinal survey that collects detailed information on health care utilization and expenditures, health insurance, and health status, as well as a wide variety of social, demographic, and economic characteristics for the civilian noninstitutionalized population. It is cosponsored by the Agency for Healthcare Research and Quality and the National Center for Health Statistics.

For more information about MEPS, call the MEPS information coordinator at AHRQ (301-427-1656) or visit the MEPS Web site at <http://www.meps.ahrq.gov/>.

References

For a detailed description of the MEPS survey design, sample design, and methods used to minimize sources of nonsampling error, see the following publications:

Cohen, J. *Design and Methods of the Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 1. AHCPR Pub. No. 97-0026. Rockville, Md.: Agency for Health Care Policy and Research, 1997.

Cohen, S. *Sample Design of the 1996 Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 2. AHCPR Pub. No. 97-0027. Rockville, Md.: Agency for Health Care Policy and Research, 1997.

Cohen, S. Design Strategies and Innovations in the Medical Expenditure Panel Survey. *Medical Care*, July 2003: 41(7) Supplement: III-5–III-12.

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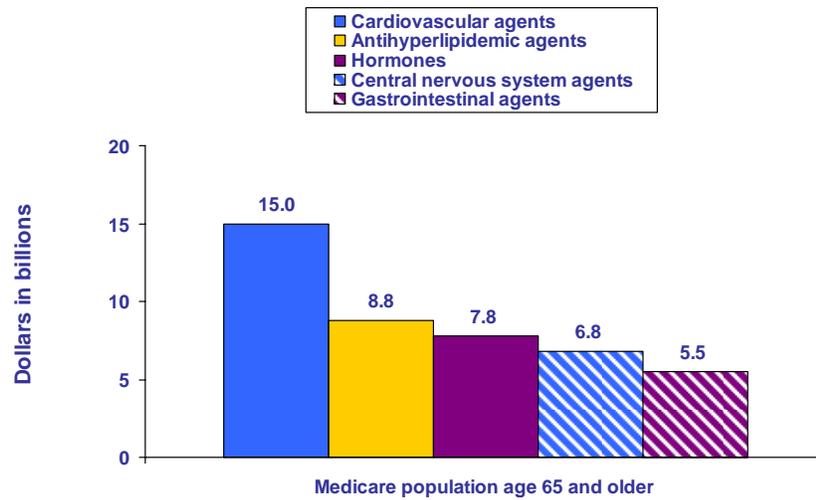
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please e-mail us at mepsd@ahrq.gov or send a letter to the address below:

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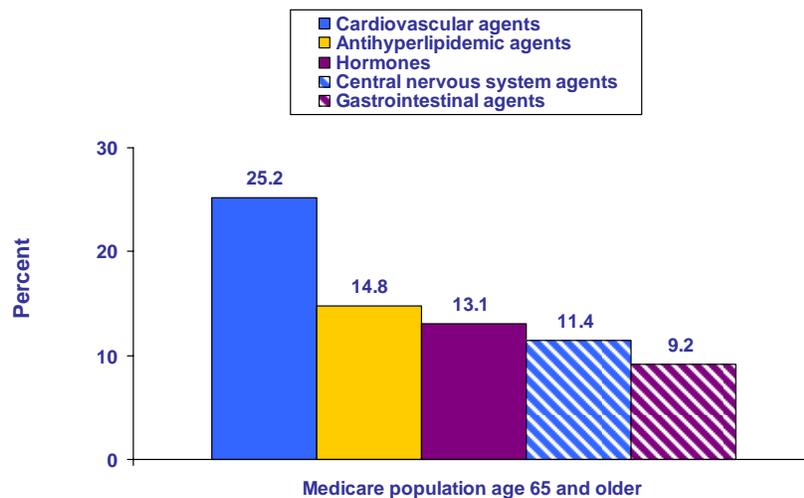
Figure 1. Top five therapeutic classifications for prescribed drugs when ranked by total expense for Medicare beneficiaries age 65 and older, 2003



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2003



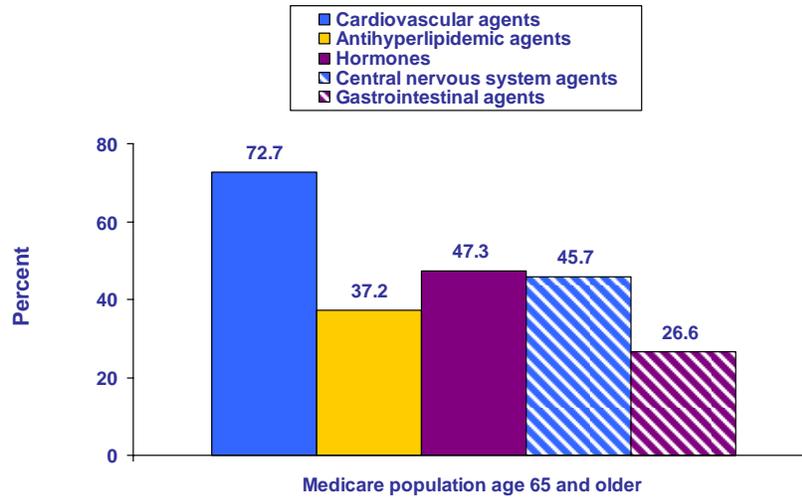
Figure 2. Percentage of annual prescribed drug expenses for the Medicare population age 65 and older that the top five therapeutic classes when ranked by total expense represent, 2003



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2003



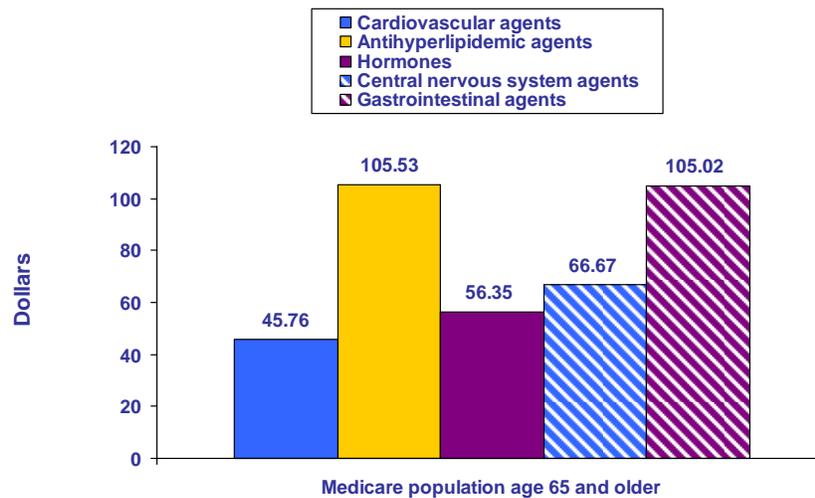
Figure 3. Percentage of the Medicare population age 65 and older with a prescribed drug expense having an expense in the top five therapeutic classes of prescribed drugs when ranked by total expenses, 2003



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2003



Figure 4. Average expense for the top five therapeutic classes of prescribed drugs when ranked by total expenses for the Medicare population age 65 and older, 2003



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2003