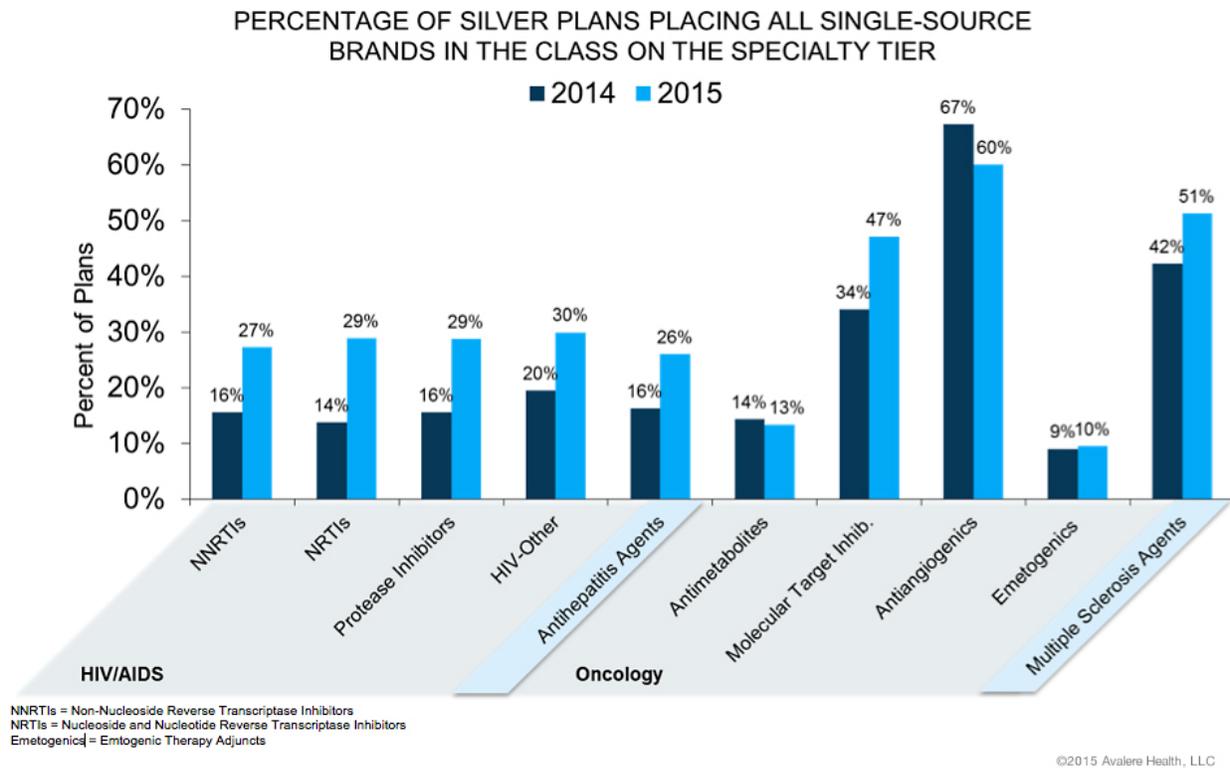


more likely than 2014 plans to assign all single-source branded drugs to the highest cost sharing tier. A single-source branded medication is a brand name drug without a generic equivalent.

The practice was most common for some cancer drugs and drugs used to treat multiple sclerosis. Roughly 30 percent of plans also place all single-source drugs for HIV/AIDS on the specialty tier.



Seven of the 10 classes listed above include at least one lower cost generic product, which could be a lower cost alternative for some consumers.²

“Enrolling in a plan that places all medications for a particular disease on the specialty tier can mean significant out-of-pocket costs for consumers, particularly if they do not qualify for cost sharing reductions,” said Caroline Pearson, Vice President at Avalere. “Plans that place some drugs in a class on lower tiers may allow consumers to find lower cost alternatives.”

Avalere noted that the total cost impact to a customer will vary based on a variety of factors, including subsidies, out-of-pocket limits, and overall plan benefit design. In 2015, more than 8 in 10 individuals who selected a plan in the exchange received a premium tax credit, which lowers their monthly premium cost by an average of 72 percent.³

² There are no generics in the HIV-Other; Molecular Target Inhibitors; or Antiangiogenics classes.

³ ASPE Research Brief, February 9, 2015, http://aspe.hhs.gov/health/reports/2015/MarketPlaceEnrollment/APTC/ib_APTC.pdf.

Avalere conducted additional analysis on the tier placement and cost sharing associated with 20 classes of medications. The full report is available [here](#).

Methods

Analysis using [Avalere PlanScape®](#), a proprietary analysis of exchange plan features, updated February 2015. This analysis is based on data collected by Managed Markets Insight & Technology, LLC. The sample includes silver plans in six states (FL, GA, IL, NC, PA, and TX) relying on HealthCare.gov, and CA and NY. Coverage is weighted according to unique plan-state combinations. Avalere analyzed brand and generic drug coverage in a total of 20 classes, including a mix of specialty and primary care drugs.

Avalere Health is a strategic advisory company whose core purpose is to create innovative solutions to complex healthcare problems. Based in Washington, D.C., the firm delivers actionable insights, business intelligence tools and custom analytics for leaders in healthcare business and policy. Avalere's experts span 230 staff drawn from Fortune 500 healthcare companies, the federal government (e.g., CMS, OMB, CBO and the Congress), top consultancies and nonprofits. The firm offers deep substance on the full range of healthcare business issues affecting the Fortune 500 healthcare companies. Avalere's focus on strategy is supported by a rigorous, in-house analytic research group that uses public and private data to generate quantitative insight. Through events, publications and interactive programs, Avalere insights are accessible to a broad range of customers. For more information, visit avalere.com, or follow us on Twitter @avalerehealth.