

## STATISTICAL BRIEF #153

December 2006

# The Top Five Therapeutic Classes of Outpatient Prescription Drugs Ranked by Total Expense for the Medicare Population Age 65 and Older in the U.S. Civilian Noninstitutionalized Population, 2004

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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 expense, as reported by households in the U.S. civilian noninstitutionalized population in calendar year 2004. 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 represented, the percentage of those with a prescribed drug expense having an expense in these classes of drugs, and the mean expense in these classes of drugs.

The estimates in this brief are derived from the Household Component of the 2004 Medical Expenditure Panel Survey (MEPS-HC). Only prescribed medicines purchases in an outpatient setting are included in the estimates. Insulin and diabetic supplies and equipment are included in MEPS prescribed medicines estimates. Over-the-counter medicines are excluded from these estimates as are prescription medicines administered in an inpatient setting or in a clinic or physician's office. All differences discussed in the text are statistically significant at the 0.05 level.

### Findings

In 2004, when ranked by total expenses, the top five therapeutic classes for prescribed drugs purchased by the Medicare population age 65 and older totaled \$47.6 billion and accounted for 73.5 percent of the \$64.8 billion total prescription drug expenses by elderly Medicare beneficiaries (estimates not shown). Cardiovascular agents ranked first in terms of total expenses at \$16.7 billion and were higher than total expenses for the remaining top five therapeutic classes: antihyperlipidemic agents (\$10.4 billion), hormones (\$8.1 billion), central nervous system agents (\$6.8

### Highlights

- In 2004, for Medicare beneficiaries age 65 and older, the top five therapeutic classes when ranked by total expense were cardiovascular agents (\$16.7 billion), antihyperlipidemic agents (10.4 billion), hormones (\$8.1 billion), central nervous system agents (\$6.8 billion), and gastrointestinal agents (\$5.6 billion).
- Annual expenditures for the top five therapeutic classes when ranked by total expense totaled \$47.6 billion and represented nearly three-quarters (73.5 percent) of annual expenditures spent on prescription drugs by the Medicare population age 65 and older (\$64.8 billion) in 2004.
- Nearly three-quarters of Medicare beneficiaries age 65 and older with a prescribed drug expense had a cardiovascular agent expense (74.5 percent) in 2004, which was a higher percentage than any of the other top five therapeutic classes of drugs.
- In 2004, cardiovascular agents accounted for a quarter (25.8 percent) of prescription drug spending by Medicare beneficiaries age 65 and older.
- The average drug expense per prescription for antihyperlipidemic agents (\$103.83) and gastrointestinal agents (\$104.52) was higher than the average expense for the remaining three of the top five therapeutic classes of drugs (cardiovascular agents, \$47.53; hormones, \$55.71; and central nervous system agents, \$62.47) in 2004.

billion), and gastrointestinal agents (5.6 billion). In addition, total expenses for antihyperlipidemic agents were higher than total expenses for central nervous system agents and gastrointestinal agents, and total expenses for hormones were higher than total expenses for gastrointestinal agents. (figure 1)

In 2004, annual expenses for cardiovascular agents represented a quarter (25.8 percent) of total prescription drug expenses by the Medicare population age 65 and older; this percentage was higher than the percentage for any of the remaining top five therapeutic classes (antihyperlipidemic agents, 16.0 percent; hormones, 12.6 percent; central nervous system agents, 10.4 percent; and gastrointestinal agents, 8.7 percent). The percentage antihyperlipidemic agents represented (16.0 percent) was higher than the percentage for hormones (12.6 percent), central nervous system agents (10.4 percent), and gastrointestinal agents (8.7 percent). In addition, the percentage of total drug expenses by those age 65 and older with Medicare that hormones (12.6 percent) represented was higher than the percentage represented by gastrointestinal agents (8.7 percent). (figure 2)

In 2004, a higher percentage of Medicare beneficiaries age 65 and older with a prescribed drug expense purchased at least one cardiovascular agent (74.5 percent) when compared to the percentage purchasing at least one drug in the remaining top four categories in the top five therapeutic classes of prescription drugs when ranked by total expense. In addition, the percentage of Medicare beneficiaries age 65 and older purchasing a gastrointestinal agent (27.4 percent) was lower than the percentage purchasing an antihyperlipidemic agent (43.5 percent), a hormone (47.2 percent), and a central nervous system agent (45.8 percent). (figure 3)

When ranked by total expense, of the top five therapeutic classes for Medicare beneficiaries age 65 and older in 2004, cardiovascular agents had the lowest average expense per prescription (\$47.53) when compared with the average expense for the remaining four classes. Gastrointestinal agents and antihyperlipidemic agents had higher average expenses (\$104.52 and \$103.83, respectively) when compared with the average expense for hormones (\$55.71) and central nervous system agents (\$62.47). (figure 4)

## Definitions/Methodology

Therapeutic classes were assigned to drugs using Multum Lexicon variables from Cerner Multum, Inc. Please note, the therapeutic class of central nervous system agents includes the large subclass of analgesics; the therapeutic class of antihyperlipidemic agents includes the large subclass of HMG-COA reductase inhibitors; and the therapeutic class of psychotherapeutic agents includes the large subclass of antidepressants. For additional information on these and other Multum Lexicon variables, as well as the Multum Lexicon database itself, refer to the following Web site: <http://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. AHCPH 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. HCPR 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.

### **Suggested Citation**

Stagnitti, M.N. *The Top Five Therapeutic Classes of Outpatient Prescription Drugs Ranked by Total Expense for the Medicare Population Age 65 and Older in the U.S. Civilian Noninstitutionalized Population, 2004*. Statistical Brief #153. December 2006. Agency for Healthcare Research and Quality, Rockville, Md. [http://www.meps.ahrq.gov/mepsweb/data\\_files/publications/st153/stat153.pdf](http://www.meps.ahrq.gov/mepsweb/data_files/publications/st153/stat153.pdf)

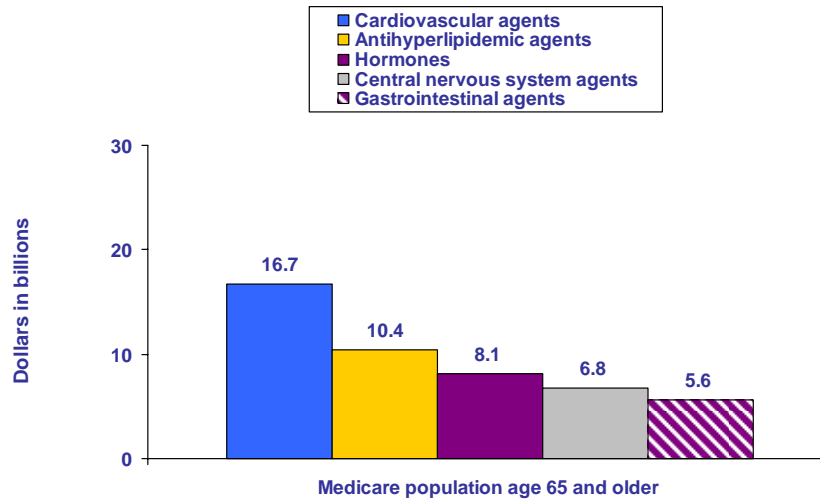
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using 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 [mepsdpd@ahrq.gov](mailto:mepsdpd@ahrq.gov) or send a letter to the address below:

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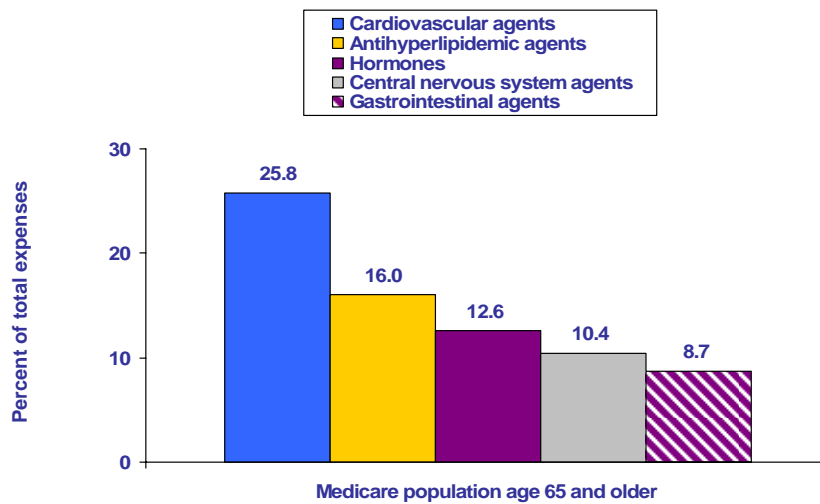
**Figure 1. Top five therapeutic classifications for prescribed drugs ranked by total expense for Medicare beneficiaries age 65 and older, 2004**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2004



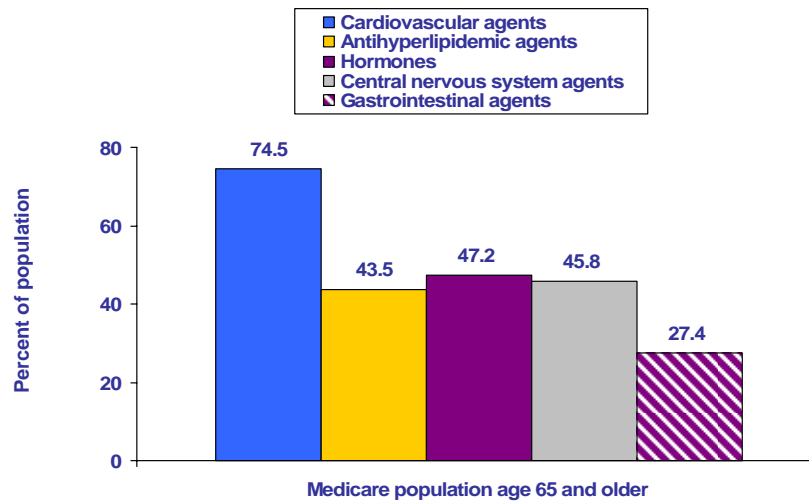
**Figure 2. Percentage of total prescribed drug expenses by the Medicare population age 65 and older that the top five therapeutic classes ranked by total expense represent, 2004**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2004



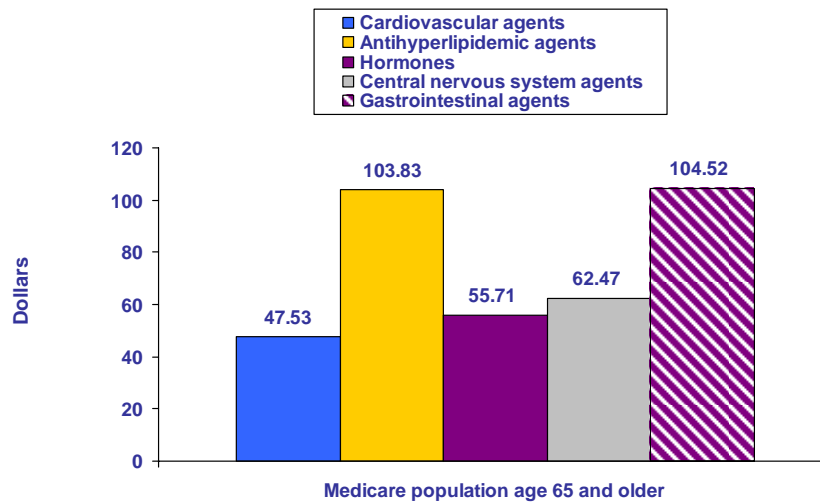
**Figure 3. Percentage of the Medicare population age 65 and older with a prescribed drug expense having an expense in the top five therapeutic classes ranked by total expense, 2004**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2004



**Figure 4. Average expense per prescription for the top five therapeutic classes of prescribed drugs ranked by total expense for the Medicare population age 65 and older, 2004**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2004