Administering Specialty Drugs Outside Hospitals Can Improve Care and Reduce Costs by $4 Billion Each Year: Methodology and Citations

Methodology

Utilization and costs for administered specialty drugs provided under the medical benefit were analyzed for UnitedHealthcare members with fully-insured employer coverage in 2018. Costs per member per month of therapy are inclusive of drugs and administration. Drug costs were case-mix adjusted and standardized by provider type. Standardization was performed at the drug claim level to normalize for differences in dose strength, quantity, and unit type; patient body weight; and other factors. To estimate potential annual U.S. commercial savings, the disease prevalence, treatment regimen, utilization, site of administration, and per capita costs for UnitedHealthcare members in 2018 were applied to the estimated number of privately insured individuals in the U.S. The savings opportunity assumes half of current hospital outpatient utilization can be moved to physician offices and patients' homes.

Citations

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[2] Magellan, 2018, p. 2.

[3] UnitedHealthcare (UHC) analysis conducted in 2019 of U.S. commercial claims from 2018.

[4] Jennifer Polinski et al., "Home infusion: safe, clinically effective, patient preferred, and cost saving," Healthcare, 2016.
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[5] UHC analysis, 2019.

The brief is available at: www.unitedhealthgroup.com/hospitals-specialtyrx.