DEPARTMENT OF HEALTH

Minnesota Prescription Drug Price Transparency

REPORT TO THE MINNESOTA LEGISLATURE

NOVEMBER 2025

Minnesota Prescription Drug Price Transparency: Report to the Minnesota Legislature

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DEPARTMENT OF HEALTH

Protecting, Maintaining and Improving the Health of All Minnesotans

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Health and Human Services Committee

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The Honorable Paul Utke, Ranking Member
2403 Minnesota Senate Building

Human Services Committee

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2nd Floor, Centennial Office Building
The Honorable Kaohly Vang Her, Co-Chair
5th Floor, Centennial Office Building

October 2025

To the Honorable Chairs and Ranking Members:

As directed in Minnesota Statutes 62J.84 (https://www.revisor.mn.gov/statutes/cite/62J.84), the Minnesota Department of Health (MDH) collects, shares publicly, and reports on data under the **Minnesota Prescription Drug Price Transparency Act** (the Act). Enclosed is the fourth required legislative report with analysis of information reported to MDH by manufacturers of prescription drugs through the first half of 2024. The report also provides a summary and timeline of work to implement new data collection requirements of the Act as amended during the 2023 legislative session.

Key findings from this report include:

- Rising prescription drug prices continue to affect many Minnesota residents and health insurers. Between July 2023 and June 2024, there were 943 drugs with price increases that required reporting. These drugs accounted for over 11% of prescription drug payments, and more than 82,000 Minnesota residents had a prescription drug fill for at least one of them. These price increases added over $10 million in additional health care spending—averaging $122 in additional drug spending *per patient* taking one or more of these medications.
- Overall, many pricing trends in this report are in line with those of previous reports. Similar to last year's report, the therapeutic class with the greatest number of new, high-priced drugs requiring reporting was anti-cancer drugs. Additionally, the rate of price growth among drugs requiring reports remains steadily high: the median five-year price increase among drugs requiring a report was over 30%.
- Researchers, policymakers, and the public continue to seek out the data reported to MDH under Minnesota's Prescription Drug Transparency initiative. In 2024 alone, the number of subscribers to MDH's mailing list on prescription drug price transparency rose to over 8,000, and MDH saw over 32,000 visits to its web pages.

This report and the publicly available data reported by prescription drug manufacturers are available on the MDH website for the Act [Prescription Drug Price Transparency (https://www.health.state.mn.us/data/rxtransparency)].

Questions or comments on the report may be directed to Stefan Gildemeister, the state health economist, at (651) 201-4520, or health.Rx@state.mn.us.

Sincerely,

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Executive summary

The Minnesota Legislature established the Prescription Drug Price Transparency Act or "the Act" (Minnesota Statutes 62J.84)[1] to increase transparency into the pricing and cost drivers of prescription drugs and produce data that will enable new opportunities for state policymaking to manage prescription drug spending and increase drug affordability. The Act directs the Minnesota Department of Health (MDH) to collect data from pharmaceutical manufacturers, wholesalers, pharmacy benefit managers (PBMs), and pharmacies, and to publicly post these data. The Act also requires MDH submit an annual report to the Legislature containing a synthesis of the data and assessment of the impact of the Act. This is the fourth legislative report prepared by MDH on the Act.

The Legislature passed this initiative at a time when many Minnesotans have expressed worry and concern with the affordability of prescription drugs. This report summarizes manufacturer drug pricing activity that met statutory reporting requirements between July 1, 2023, and June 30, 2024, and assesses how the reported data contribute to the broader legislative goals of advancing transparency in the prescription drug industry and identifying opportunities for policy intervention in the prescription drug space to improve affordability.

Findings and analysis

From July 1, 2023, to June 30, 2024, there were 1,355 drug introductions and price increases that required reporting by pharmaceutical manufacturers under the Act. These included 412 new drugs introduced to the United States market and 943 price increases requiring reporting. MDH received reports for 57% of the new drug introductions and 67% of the price growth events. A market analysis shows that drugs with submitted reports for significant price increases represent 92% of the market share of all drugs with price growth activity that meet reporting requirements, suggesting that the analysis of reported data represents most of the market among these drugs. Analysis of required new drug and price growth data found the following:

- Among drugs requiring reporting, the median price of new brand drugs ($5,289) was much higher than that of new generic drugs ($1,256). This was consistent with findings in previous legislative reports.
- The top three most common therapeutic classes for new drug reports were anti-cancer drugs, ADHD medications/anti-obesity drugs, and anti-inflammatory pain relief drugs.
- Brand drugs approved with breakthrough therapy designations were much more expensive (median price of $13,051) than brand drugs approved without the designation (median price of $6,923).
- The prices of drugs with required reporting on price growth activity between July 2023 and June 2024 increased, on average, more than 37% over the past five years—three times as much as the rate of inflation on medical goods and nearly twice as high as general inflation during that same period.
- Brand manufacturers use multiple techniques to slow down generic entry to the market. When they are successful, it means that their drug gets a longer period of exclusivity, where patients and insurers are forced to pay higher prices than they would if generic options were available. There were 13 required price

[1] Minnesota Statutes 62J.84 (https://www.revisor.mn.gov/statutes/cite/62J.84)

growth reports where the brand drug's manufacturer had a generic delay agreement.[2] These brand drugs cost Minnesota health insurers approximately $65 million to fill more than 11,500 prescriptions.

- For each of the top three therapeutic classes by pharmacy claims payments, drugs with required price growth reports represented more than $150 million in costs to insurers and more than 20% of all payments in their therapeutic class.
- Health care spending on price growth drugs was dominated by high-priced (and increasing in price) brand-name biologics that treat autoimmune conditions such as plaque psoriasis, rheumatoid arthritis, psoriatic arthritis, and ankylosing spondylitis.
- In some therapeutic classes, drugs with required price growth reports made up more than 70% of all spending in their class, highlighting how patients with different conditions may be impacted differently by price increases.
- U.S. prices for the most expensive reported brand drugs continue to be substantially higher—up to five times more—than international prices. This pattern of U.S. prices being multiple times higher than international prices exists among the majority of drugs with reported international prices.

Takeaways and next steps

The prescription drug market is opaque and complex, making the market hard to effectively regulate and leaving consumers facing challenges to making informed decisions. Although the prescription drug market is often referred to as a single market, it is in fact comprised of many markets—brand-name drugs, generics, biologics, and specialty medications each operate under different pricing, supply chain, and regulatory dynamics.

Reporting under the Act brings transparency to some of the most expensive and quickly increasing prescription drugs on the market (including via data dashboards[3]). Ongoing data collection will allow for increasingly robust analysis and improved understanding of pharmaceutical price dynamics over time.

Most importantly, the new data and analysis on drugs of substantial public interest—where MDH collects data from across the supply chain, not just manufacturers—are forthcoming. It is expected to bring additional new insights into prescription drug market dynamics that contribute to high prices and total spending. With these new insights, state policymakers will have additional opportunities to reduce total costs and make drugs more affordable for patients. MDH continues to leverage these data and learnings to assist the state and other payers in working to manage prescription drug spending.

[2] Federal Trade Commission. Pay-for-Delay: When Drug Companies Agree Not to Compete. Available at Pay for Delay | Federal Trade Commission (https://www.ftc.gov/news-events/topics/competition-enforcement/pay-delay)

[3] Minnesota Department of Health. Prescription Drug Price Transparency. Available at Data and Dashboards - Prescription Drug Price Transparency - MN Dept. of Health (https://www.health.state.mn.us/data/rxtransparency/dashboards/index.html)

Introduction

The Minnesota Legislature established the Prescription Drug Price Transparency Act or "the Act" (Minnesota Statutes 62J.84)[4] to increase transparency into the pricing and cost drivers of prescription drugs. The Act initially directed the Minnesota Department of Health (MDH) to collect, analyze, and publish data from pharmaceutical manufacturers. Refinements in 2023, extended the effort to data collection from wholesalers, pharmacy benefit managers (PBMs), and pharmacies. The Act also requires MDH submit an annual report to the Legislature containing a synthesis of the data and assessment of the impact of the Act. This is the fourth legislative report prepared by MDH on the Act.

The Legislature passed this initiative at a time when many Minnesotans have expressed worry and concern with the affordability of prescription drugs. Many Minnesotans—including those who shared stories with MDH[5] and are quoted below—have seen the cost of drugs they have taken for years increase significantly, struggled to pay for high-priced new medications, and faced tough decisions choosing to pay for medications or other necessities:

> "I'm on a drug that's related to a drug that's on the [drugs of substantial public interest] list…. Mine costs over $20k/month, and in January of every year, I have to pay my out-of-pocket max and spend all year paying it down. I've been on this class of drugs since 2007."
>
> "My blood thinner medicine is one of my biggest expenses each month."
>
> "My doctor tells me I will need to be on [a prescription drug] for life. It was the answer to many of my health issues and has helped me feel alive again. To sustain $550 - $1,200 a month for the rest of my life will not be sustainable."

The Act aims to bring transparency to the pricing of prescription drugs and support policymakers' continued efforts to understand the prescription drug market and ensure Minnesotans can afford the medications they need. The report contains:

- Background on the Act and the prescription drug market.
- A summary of submitted information and analyses of reported data.
- An assessment of the effectiveness of the Act.

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[4] Minnesota Statutes 62J.84 (https://www.revisor.mn.gov/statutes/cite/62J.84)

[5] MDH collects stories, comments, and questions from Minnesotans on their experiences paying for prescription drugs. More than 45 submissions came in from members of the public in 2024. In these comments, individuals described personal and family members' struggles to afford medications essential to their health and wellbeing, dealing with administrative burden of changing formularies and getting access to needed medications, and worries about where they will access and how they will afford medications in the future. Of all the stories, comments, and questions MDH received, there were 11 mentions of insulin and diabetes, 11 mentions of asthma and inhalers, six mentions of weight loss, six mentions of eye drop medications, six mentions of weight loss medications, and many other mentions of personal accounts of difficulty affording prescription drugs.

This report focuses on reporting on drug price increases and new drug introductions from July 1, 2023, to June 30, 2024.

Background

Prescription drug market

The prescription drug market is opaque, complex, and dynamic. It has many unique aspects that make it considerably different from traditional markets. Here are a few notable features:

- Although the prescription drug market is often considered a single market, it is comprised of **many distinct markets**—brand-name drugs, generics, biologics, and specialty medications each operate under different pricing, supply chain, and regulatory dynamics. Then, for each of these categories, payer type (e.g. commercial insurance, Medicaid, or Medicare) adds another set of distinctions that add variability as well.
- The **cost paid by consumers for prescription drugs may vary widely** from consumer to consumer because they are highly dependent on an individual's benefit design (if they have insurance) and on complex financial relationships between the many prescription drug supply chain entities.
- Agreements between supply chain entities—such as health insurers, pharmacies, PBMs, wholesalers, and manufacturers—can create incentives for certain drug products to be purchased from certain retailers that may not align with the consumer's best interest.
- Health insurance and other cost-sharing or patient assistance protect many consumers from high prices at the pharmacy counter, but the high **costs are often ultimately passed on to consumers** via health insurance premium increases.[6]
- Certain supply chain entity types are dominated by only a few businesses, and many of these entities own other entities along the supply chain. Such **horizontal consolidation and vertical integration** allow entities to exert significant pressure on the supply chain and resulting prices.
- The arrival of generic products and other less expensive alternatives—which provide competition and often lower prices—can face barriers to entering the market. Patent protections, renewals, and other mechanisms—such as contractual agreements—often **delay and reduce competition**.
- Unlike other consumer products, most **patients need their medications** regardless of cost and have limited ability to "shop around" for cheaper options.

The collective impact of these complexities is that the United States spends significantly more than peer countries on prescription drugs.[7] Consumers are rarely able to make well informed choices on which prescription drug to buy, if they have a choice at all. Lifesaving and life-improving drugs are often expensive, and sometimes prohibitively expensive. The inflexible and significant demand allows supply chain entities to exert significant influence over pricing. The dynamics above can prevent consumers from receiving the least expensive or most effective available drug product.

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[6] Peterson-PFF. How much and why ACA Marketplace premiums are going up in 2026. Available at https://www.healthsystemtracker.org/brief/how-much-and-why-aca-marketplace-premiums-are-going-up-in-2026/.

[7] Kaiser Family Foundation. How do prescription drug costs in the United States compare to other countries? - Peterson-KFF Health System Tracker. Available at https://www.healthsystemtracker.org/chart-collection/how-do-prescription-drug-costs-in-the-united-states-compare-to-other-countries/

The ever-shifting supply chain dynamics and policy landscape create challenges for policymakers and researchers alike. Therefore, current state and federal policies act as a patchwork of regulations that affect pricing and transparency. Transparency efforts like that in Minnesota and elsewhere are one approach to better understanding the prescription drug market and offer important insights for future policymaking that can help improve competition in prescription drug markets, increase access to lower cost prescription drugs, and lower the cost of prescription drugs.

Overview of the reporting types under the Act

The Minnesota Legislature passed the Prescription Drug Price Transparency Act in 2020, requiring reporting by manufacturers to MDH on pricing information for new drugs with high initial prices and drugs with quickly growing prices. The Legislature expanded the Act in 2023 to include a new type of reporting referred to as 'drugs of substantial public interest.' The expanded reporting includes more prescription drug supply chain participants and important data on transactions between those entities. Table 1 provides an overview of the different types of reporting under the Act.

Table 1: Overview of the types of reporting under the Act

Reporting Type	When reporting is required	Reporting entities	Cadence
New drug	Any time a manufacturer introduces a new drug for sale that is over a certain threshold* for a 30-day supply or course of treatment.	Manufacturers	Ongoing: manufacturers have 60 days to report after an eligible new drug introduction.
Price growth	Any time a manufacturer increases the price of an existing drug over certain percent thresholds** set in statute for a 30-day supply or course of treatment.	Manufacturers	Ongoing: manufacturers have 60 days to report after an eligible price increase.
Public interest	When MDH publishes a list of up to 500 drugs.	Manufacturers Wholesalers PBMs Pharmacies	Quarterly: MDH publishes lists quarterly, sends entities a notification 30 or more days later, and then entities have 60 days to report.

* This threshold is the Medicare Part D Specialty Drug Threshold per Minnesota Statute 62J.84.4 (https://www.revisor.mn.gov/statutes/cite/62J.84#stat.62J.84.4). It was $830 in 2023 and $950 in 2024.

** For brand drugs, the threshold is 10% in the past 12 months or 16% in the past 24 months; for generics the threshold is 50% in the past 12 months per Minnesota Statute 62J.84.4 (https://www.revisor.mn.gov/statutes/cite/62J.84#stat.62J.84.4).

Following are several key terms used throughout the report. Additionally, see Appendix A for a glossary.

- **Drug**: under the Act, reporting on drugs occurs at the drug product level, which is identified using National Drug Codes (NDCs). This is the most granular level of tracking drugs in the United States.
- **Drug Family**: a drug family is a group of one or more prescription drug products that share a unique generic drug product description, or nontrade name, and dosage form.
- **Price**: price under the Act refers to the wholesale acquisitions cost (WAC) of a drug, which is the list price set by the drug manufacturer. A single drug may have multiple prices—depending on where it is in the supply chain and a number of other factors—and the list price of a drug is rarely the same as what is ultimately paid by patients and health insurance plans. However, within the context of this report, price is WAC.
- **Pricing event**: a pricing event is when a drug changes price. It could be the initial price upon introduction to the market, or a price increase or decrease of an existing drug. Reporting requirements for new drug and price growth report types under the Act are determined based on pricing events.
- **Report**: A report is a submission of statutorily required data elements to MDH by reporting entities. Each new drug and price growth pricing event that meets the statutory thresholds requires a report. Additionally, each drug on the public interest lists requires a report from each eligible reporting entity.
- **Required report**: reports for drugs and pricing events that are required under the Act.
- **Submitted report**: reports submitted to MDH for required reports.[8]

Public interest drugs

The expansion of the Act in 2023 was intended to bring transparency to the full supply chain by requiring reporting on drugs of substantial public interest from manufacturers, wholesalers, PBMs, and pharmacies. The data collected include similar elements to the original price growth reporting but adds data on rebates, fees, and other transactions. This initiative and its resulting publications will provide policymakers and stakeholders with insights to improve transparency and affordability in the prescription drug market.

The new reporting is nation-leading and offers an opportunity to dive deeper into particular aspects, features, or areas of the prescription drug market. MDH may focus on certain disease treatments, pricing trends, or market behaviors. MDH develops lists using specific statutory criteria, public input, and independent analyses. MDH expects analysis of public interest data will help provide clarity to such questions as:

- What explains rapidly increasing list prices for a particular drug family?
- Why are the costs to payers increasing for a drug product while the list price is stable?
- Why has the price of a certain drug product not decreased despite the entry of multiple generics into the market? Is competition in that market working?
- What is the connection between rebates retained by supply chain entities and list prices?
- How might vertical integration of supply chain entities affect the market?

[8] MDH has received reports for drugs or pricing events that are not required in statute. These are not included in summaries or analyses.

To date, MDH has published two lists.[9]

- **Drugs with notable markup:** The first list focuses on drugs that cost patients and payers significantly more than manufacturer list prices. It includes 364 drug products in 10 drug families that saw substantial markups between the price set by the manufacturer and the total amount paid by patients and health insurers.
- **Insulin drug products:** The second list includes all insulin drug products for sale in the U.S. This covers 79 drug products in 16 drug families for insulin, excluding all durable medical equipment and over-the-counter drug products. Insulin products cost Americans $22.3 billion in 2022[10] and continue to be unaffordable for many diabetic Americans who need the drug to live.[11]

MDH anticipates releasing data and analysis on the first list in 2025. Data for the second list were collected in spring of 2025 and findings are expected to be released in 2026.

Reporting and insights

This section provides a summary of submitted data under the Act and associated analysis of new drug introductions and price growth events between July 1, 2023, and June 30, 2024.[12]

Data overview and compliance

With a reporting rate of about 64%, MDH received 863 required reports between July 1, 2023, and June 30, 2024, representing 828 unique drugs (NDCs) from 137 different manufacturers. Table 2 summarizes the number of reports required and submitted.[13]

Table 2. Required and submitted reports

Report type	Required reports	Required and submitted	Percentage submitted
New drug reports	412	233	56.9%
Price growth reports	943	630	66.8%
Total	**1,355**	**863**	**63.7%**

[9] More information on the lists of drugs of substantial public interest—including methodologies and drug (NDC) lists—is available online at Public Interest Drug Lists - Prescription Drug Price Transparency - MN Dept. of Health (https://www.health.state.mn.us/data/rxtransparency/pilists.html).

[10] American Diabetes Association. New American Diabetes Association Report Finds Annual Costs of Diabetes to be $412.9 Billion. Available at $412.9 Billion in Health Care Dollars |ADA (https://diabetes.org/newsroom/press-releases/new-american-diabetes-association-report-finds-annual-costs-diabetes-be)

[11] NBC News. Why is insulin still so expensive for diabetes patients in the U.S.? Available at Why is insulin still so expensive for diabetes patients in the U.S.? (https://www.nbcnews.com/health/health-news/why-insulin-so-expensive-diabetes-united-states-rcna39295)

[12] See Table 1 for the statutory requirements for new drug and price growth reporting.

[13] MDH primarily uses reference data to identify pricing events that meet statutory requirements for reporting.

Sources: MDH, Health Economics Program analysis of Medi-Span reference data from Wolters Kluwer's Medi-Span Suite of electronic drug data files. Additional information about Medi-Span is available at: Medi-Span: Drug Data Solutions for Healthcare (https://www.wolterskluwer.com/en/solutions/medi-span); MDH, Health Economics Program summary of data reported under Minnesota's Prescription Drug Price Transparency Act for the period of July 1, 2023 to June 30, 2024.

Compliance from manufacturers is down slightly from prior years, but MDH is continuing to streamline communication and compliance processes that will improve the ability to assess and enforce compliance for future reporting. These efforts have already resulted in over 2,300 reporting entities being registered in the Rx Data Portal as of December 2024.

Collectively, drugs with price growth events requiring reporting accounted for an estimated 11.2% of prescription drug *payments* in Minnesota over the last year. Submitted reports represented 10.3% of payments. This means that while the reporting *rate* for required price growth events is less than two-thirds, submitted reports capture 91% of the market share of price growth events.[14]

Supporting data

To support the analysis and identify what reporting is required, MDH used a range of reference data—including Wolters Kluwer Medi-Span[15] and the Federal Food and Drug Administration's (FDA)[16] National Drug Code Directory[17] and Purple Book.[18] This information supports MDH's ability to analyze market characteristics and pricing trends.

MDH utilized health insurance pharmacy claims data for the period of April 1, 2023, through March 31, 2024, from the Minnesota All Payer Claims Database (MN APCD) in the analyses.[19] These data provide important context for the impact of drug prices in Minnesota, but they also have some limitations to note:

- Pharmacy claims are for prescription drugs distributed through retail pharmacies and are typically processed through the pharmacy benefit of health insurance, which are tracked separately from drugs administered as part of onsite care and processed through medical benefits. Claims analyses in this report do not include any medical claims for prescription drugs.
- The MN APCD is periodically updated as new claims data are available. This report includes claims through March 2024, which was the most up-to-date data available at the time of analysis.

[14] "Market Share" is used to describe the proportion of all prescription drug payments over the claims period represented by the given group of medications (NDCs).

[15] Additional information about Medi-Span is available at: Medi-Span: Drug Data Solutions for Healthcare (https://www.wolterskluwer.com/en/solutions/medi-span).

[16] The FDA is the body of the federal government tasked with ensuring the safety, efficacy, and security of various products, including food, drugs, medical devices, and more.

[17] U.S. Federal Food and Drug Administration. National Drug Code Directory. Available at: U.S. FDA - National Drug Code Directory (https://www.fda.gov/drugs/drug-approvals-and-databases/national-drug-code-directory).

[18] U.S. Federal Food and Drug Administration. Purple Book: Database of Licensed Biological Products. Available at: U.S. FDA - Purple Book: Database of Licensed Biological Products (https://purplebooksearch.fda.gov/downloads).

[19] Minnesota Department of Health. Minnesota All Payer Claims Database. Available at: Minnesota All Payer Claims Database - MN Dept. of Health (https://www.health.state.mn.us/data/apcd/index.html)

- Claims in this analysis include Minnesota Health Care Programs claims, Medicare Part C claims, and commercial reports covering mostly the fully insured market. Claims do not include Medicare Part D (due to a lag in the data).

As such, the claims data do not include all expected claims, and findings should be considered an underestimate and directional.

New drug events

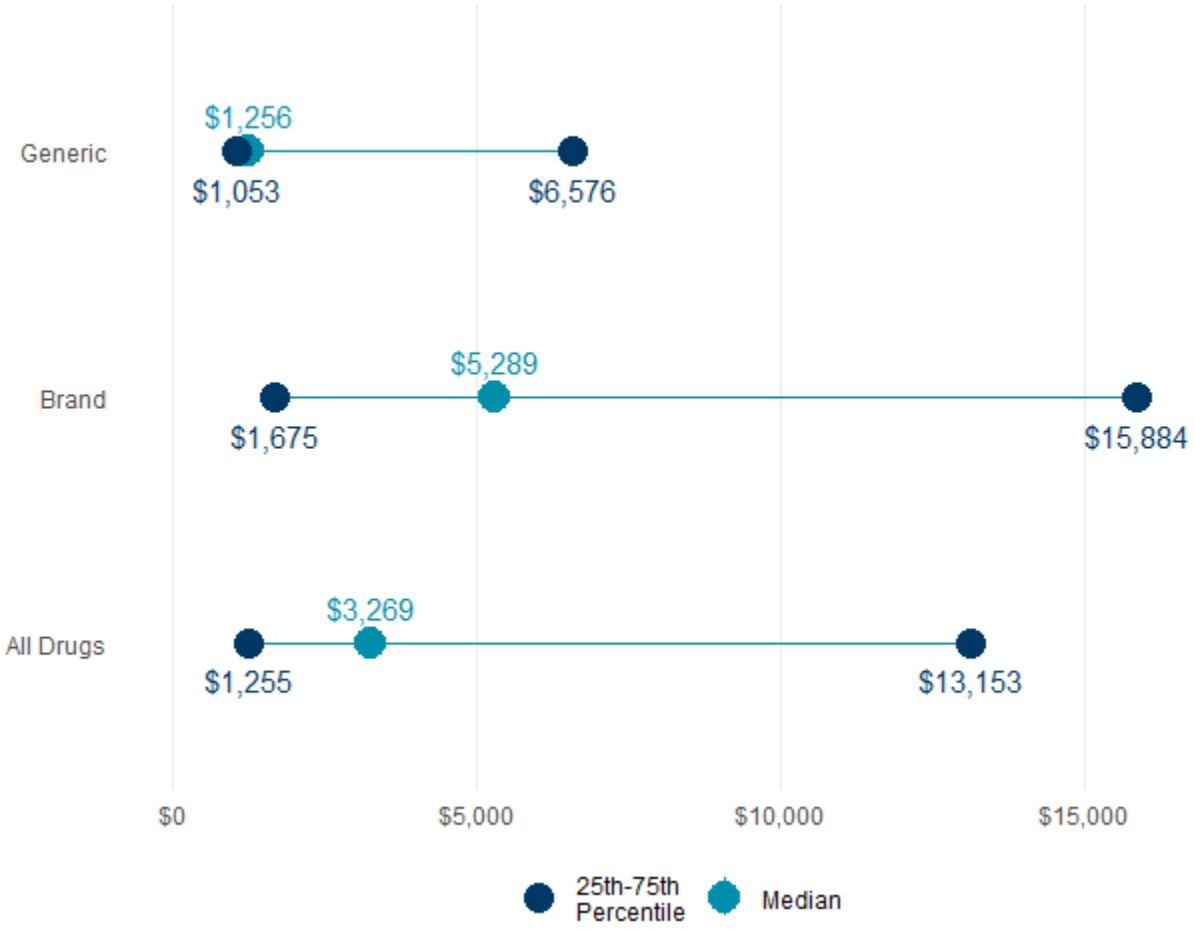
In the 12 months between July 2023 and June 2024, there were 412 new drug pricing events that met the Act's reporting threshold, representing 279 brand drugs and 133 generic drugs.[20] New brand drugs may be introduced upon FDA approval of a new therapy and new generics may be introduced after the patent on or exclusivity period of the reference brand drug has expired.

Of these new drug introductions that required reporting, the median list price—or wholesale acquisition cost (WAC)—for a new brand drug was $5,289, while the median list price for a new generic drug was $1,256. Note that these values do not represent the values for *all* new drugs on the market—the prices for drugs that require reporting skew higher than the full universe of newly approved drugs because of the statutory reporting threshold. Figure 1 displays the distribution of prices at introduction for required new drug introduction events at the 25th, 50th (median), and 75% percentiles.[21] It shows, for example, that 25% of new brand drug introductions requiring reporting had a list price of more than $15,844.

[20] This means that, upon introduction, the price of these drugs was $830 or more if introduced in 2023 and was $950 or more if introduced in 2024. Additionally, for generic drugs, the price had to be within 15% of the reference brand drug.

[21] A value at the 25th percentile means that 25% of the reported values are smaller and 75% are larger; likewise, a value at the 75th percentile means 75% of the reported values are smaller, and only 25% are larger. A value at the 50th percentile is at the median, which means half of the values are larger and half are smaller.

Figure 1. Price distribution for required new drug introductions—median price and 25th and 75th percentiles, July 2023–June 2024



Sources: MDH, Health Economics Program analysis of Medi-Span reference data from Wolters Kluwer's Medi-Span Suite of electronic drug data files. Additional information about Medi-Span is available at: Medi-Span: Drug Data Solutions for Healthcare (https://www.wolterskluwer.com/en/solutions/medi-span); MDH, Health Economics Program summary of data reported under Minnesota's Prescription Drug Price Transparency Act for the period of July 1, 2023 to June 30, 2024.

These numbers are generally consistent with those observed in the 2023 Prescription Drug Price Transparency Legislative Report,[22] but are lower than values in the 2024 Prescription Drug Price Transparency Legislative Report.[23] This is because during the period of the 2024 report, dozens of formulations of two multi-million-dollar drugs were newly introduced.[24]

[22] Prescription Drug Price Transparency. 2023 Report to the Minnesota Legislature. https://www.health.state.mn.us/data/rxtransparency/docs/rxlegrpt2023.pdf

[23] Prescription Drug Price Transparency. 2024 Report to the Minnesota Legislature. Available at 2024 RxPT Legislative Report (Jan. 2025 update) (https://www.health.state.mn.us/data/rxtransparency/docs/rxlegrpt2024.pdf)

[24] Ibid.

Types of new drugs

MDH analyzed required new drug reports and identified the most common therapeutic classes to help identify areas where increased drug innovation (many new drugs coming to market) is paired with high costs (the new drugs have a higher price).

- The top therapeutic class—with 71 high-priced new drugs (67 brand and 4 generic)—was **anti-cancer drugs** (*Antineoplastics and Adjunctive Therapies*). Cancer was the second-leading cause of death in the United States in 2022[25] and the National Cancer Institute funded nearly $7 billion in cancer research during the same year.[26] This reflects the sense of urgency and resources dedicated to developing new and more effective cancer treatments. Many of these new cancer drugs are biologics—a class of drugs that are generally priced higher than non-biologic medications.
- In the class of drugs to treat **Attention-deficit/hyperactivity disorder** (**ADHD) and obesity** (therapeutic class *Adhd/Anti-Narcolepsy/Anti-Obesity/Anorexiants*), the 55 new drug introductions that required reporting collectively represented four different medications:
  - Generic introductions of **Adderall** and **Vyvanse** (both stimulants used to treat ADHD): both drugs started experiencing shortages over the last couple of years, likely driving the introduction and market uptake of new generic versions of these drugs.[27] Vyvanse went off-patent in 2023 and Adderall has been off-patent since 2009.
  - New branded formulations of extended-release **methylphenidate** (marketed under the name Relexxii[28]), another ADHD medication that has experienced shortages.[29]
  - Different brand formulations of the **anti-obesity drug tirzapetide** (which is marketed under the brand name Zepbound and is a GLP-1 agonist): this class of drugs was originally approved for diabetes treatment and has revolutionized the weight loss market.[30]
- Of the 30 drug introductions for products aimed at anti-inflammatory pain relief (therapeutic class *Analgesics - Anti-Inflammatory*), 18 were for **biosimilar versions of Humira** (adalimumab)[31]—a popular

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[25] Centers for Disease Control and Prevention. Leading Causes of Death. Available at FastStats - Leading Causes of Death (https://www.cdc.gov/nchs/fastats/leading-causes-of-death.htm).

[26] National Cancer Institute. Funding for Research Areas. 2023 NCI Budget Fact Book - Research Funding - NCI (https://www.cancer.gov/about-nci/budget/fact-book/data/research-funding).

[27] Goodrx.com. Patients Seek Alternative ADHD Medications Amid Continuing Adderall Shortage. Available at Patients Seek Alternative ADHD Medications Amid Continuing Adderall Shortage - GoodRx (https://www.goodrx.com/healthcare-access/research/adderall-shortage-new-generics-lead-to-changes-in-types-of-adhd-medications-used)

[28] RELEXXII® Methylphenidate HCl Extended-Release Tablets for ADHD (https://relexxii.com/)

[29] Drug Shortage Detail: Methylphenidate Extended Release Oral Presentations (https://www.ashp.org/drug-shortages/current-shortages/drug-shortage-detail.aspx?id=896)

[30] The same drug product can have multiple therapeutic classes when the formulation has multiple indications. For example, GLP-1s approved for obesity or weight loss are in the "Adhd/Anti-Narcolepsy/Anti-Obesity/Anorexiants" therapeutic class; GLP-1s approved for diabetes are in the "Endocrine and Metabolic Agents - Antidiabetics" therapeutic class. The same formulation can be marketed under different names as well. For example, tirzapetide marketed as "Mounjaro" is approved for diabetes treatment and tirzapetide marketed as "Zepbound" is approved for treating obesity.

[31] Biosimilars are roughly the equivalent of generics, but for biologic drugs. Biosimilars Basics for Patients | FDA (https://www.fda.gov/drugs/biosimilars/biosimilars-basics-patients)

immunosuppressive drug that treats plaque psoriasis and rheumatoid arthritis. Its patent expired in 2023.[32] Of these new drug products (NDCs), only 5 had claims during the first 9 months (July 2023 to March 2024). These biosimilars cost an average of about $10,700 per claim. Brand-name Humira averaged more than $8,700 per claim in payments during the same time period, showing that biosimilar entry to the market does not universally—or immediately—reduce costs.

To assess the early impact of these new drug introductions on the market, MDH performed a claims analysis using the MN APCD. In the nine months between July 2023 and March 2024, those new drugs accounted for almost 236,000 pharmacy claims totaling $110 million for over 200,000 patients in Minnesota.[33]

Breakthrough therapies

Some new drugs have a 'breakthrough therapy' designation, which can be an indicator of even higher prices.[34] It is a process where certain drugs—those with early indications of being substantively more effective than the current clinical standard—are provided expedited review by the FDA. Of the 233 submitted new drug reports, 61 drug products were approved by the FDA with a breakthrough therapy designation. All of the breakthrough therapies were brand drugs, and the most common therapeutic class was anti-cancer drugs.

Though breakthrough therapy designation does not guarantee that the drug will be a true "breakthrough," the designation nonetheless tends to be associated with higher prices, even when comparing against other brand drugs. Branded drug products that did not report a breakthrough therapy designation had a median price of $6,923, while those that did report a breakthrough therapy designation had a median price that was more than two times higher, at $13,051.

Price growth events

In the 12 months between July 2023 and June 2024, there were over 5,000 price increases for drugs already on the market, and of these 943 required reporting under the Act. This includes 920 price increases for brand drugs and only 23 for generics. These price increases occurred for only 865 drugs (NDCs), meaning that dozens of drugs had more than one significantly large price increase within a year. [35] More than 82,000 Minnesotans used one of the required 865 drugs between April 2023 and March 2024, which represents more than 11% of all retail prescription drug payments. The price increases alone accounted for at least $10 million in additional health

[32]National Public Radio. Humira loses monopoly as copycat from Amgen comes to market. Available at Humira loses monopoly as copycat from Amgen comes to market (https://www.npr.org/sections/health-shots/2023/01/31/1152513058/abbvies-blockbuster-drug-humira-finally-loses-its-20-year-200-billion-monopoly)

[33] The MN APCD is periodically updated as new claims data are available. This includes claims through the version of the MN APCD current at the time of analysis, which goes through March 2024. These amounts do *not include* Medicare Part D or some commercial plans, meaning this estimate is an undercount.

[34] Breakthrough Therapy. Available at Breakthrough Therapy | FDA (https://www.fda.gov/patients/fast-track-breakthrough-therapy-accelerated-approval-priority-review/breakthrough-therapy)

[35] The small number of generics is due to the higher price growth reporting threshold for generic drugs. An additional 214 generic drugs would have been required if generics had the same reporting threshold as brand drugs.

care spending based on list price.[36] Appendix B provides summary data for these required price growth reports disaggregated by brand status, price after increase, number of years on market, and therapeutic class.

Price growth history and trends

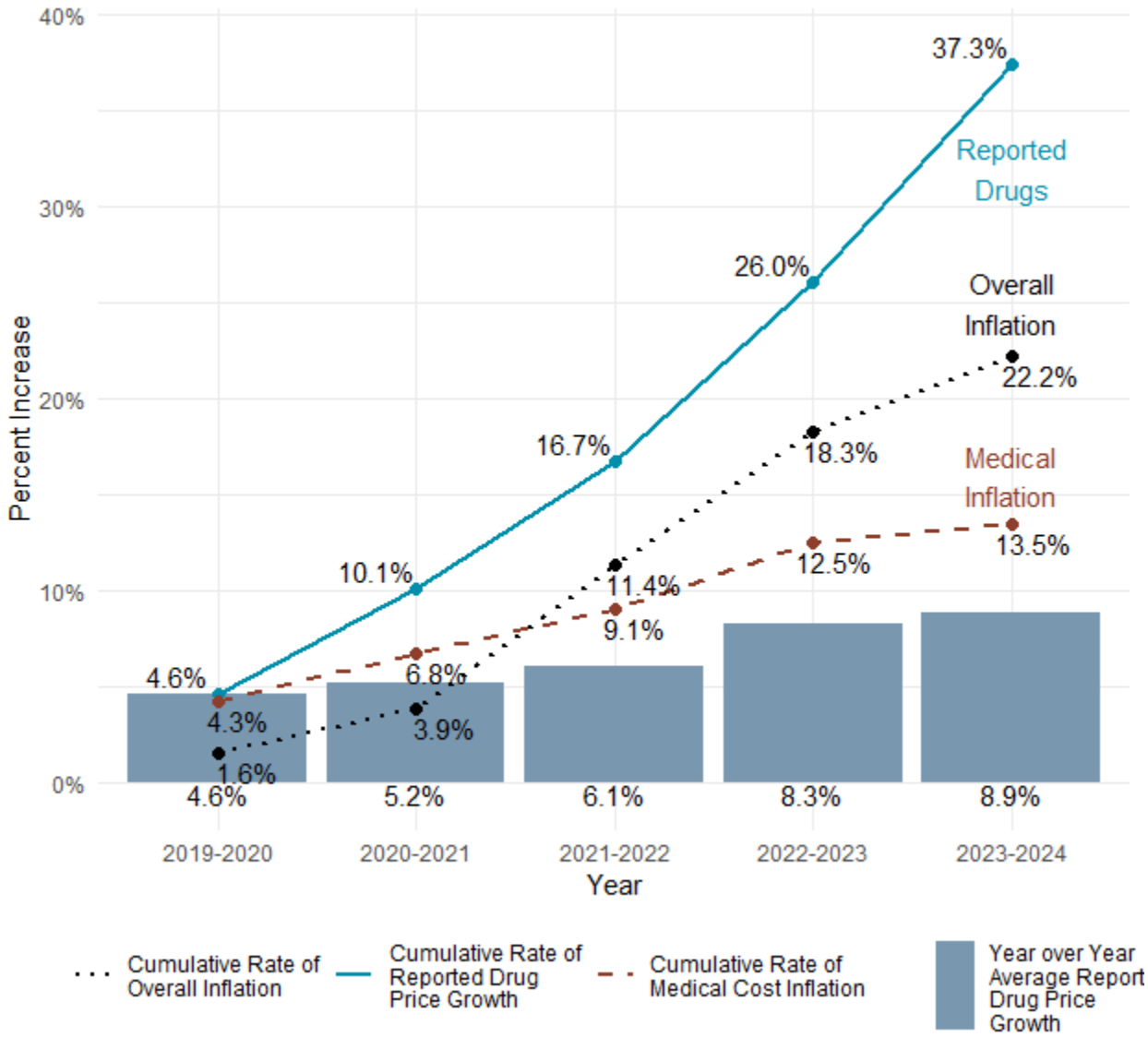
For the 943 price growth events that required reporting, there were 630 submitted reports to MDH between July 2023 and June 2024—628 brand drugs and 2 generic drugs. Figure 2 displays the reported pricing history between 2019 and 2024—the five years leading up to the pricing event that required reporting—for these 630 reported drugs. Cumulatively, the average increase over this period was nearly 40%, which is almost three times as high as the cumulative rate of inflation for medical services[37] and is nearly twice as high as general inflation during this period.[38] Additionally, Figure 2 shows how the size of the year-over-year increases grows over time, meaning that the manufacturers of these drugs have been increasing prices by a larger amount each year.

[36] To calculate the additional marginal cost to payers, MDH excluded 79 of the 943 price growth events that occurred between April and June 2024 to align with the available claims data, which only go through March 2024. The average cost per claim was identified before and after the price increase and the difference was multiplied by the number of claims after the price increase to identify the additional marginal cost.

[37] St. Louis Federal Reserve. Consumer Price Index for all Urban Consumers: Medical Care in U.S. City Average. Available at Consumer Price Index for All Urban Consumers: Medical Care in U.S. City Average (CPIMEDSL) | FRED | St. Louis Fed (https://fred.stlouisfed.org/series/CPIMEDSL)

[38] St. Louis Federal Reserve. Consumer Price Index for all Urban Consumers. Available at Consumer Price Index for All Urban Consumers: All Items in U.S. City Average (CPIAUCSL) | FRED | St. Louis Fed (https://fred.stlouisfed.org/series/CPIAUCSL)

Figure 2. Five-year pricing history relative to inflation for submitted price growth reports, July 2023 – June 2024

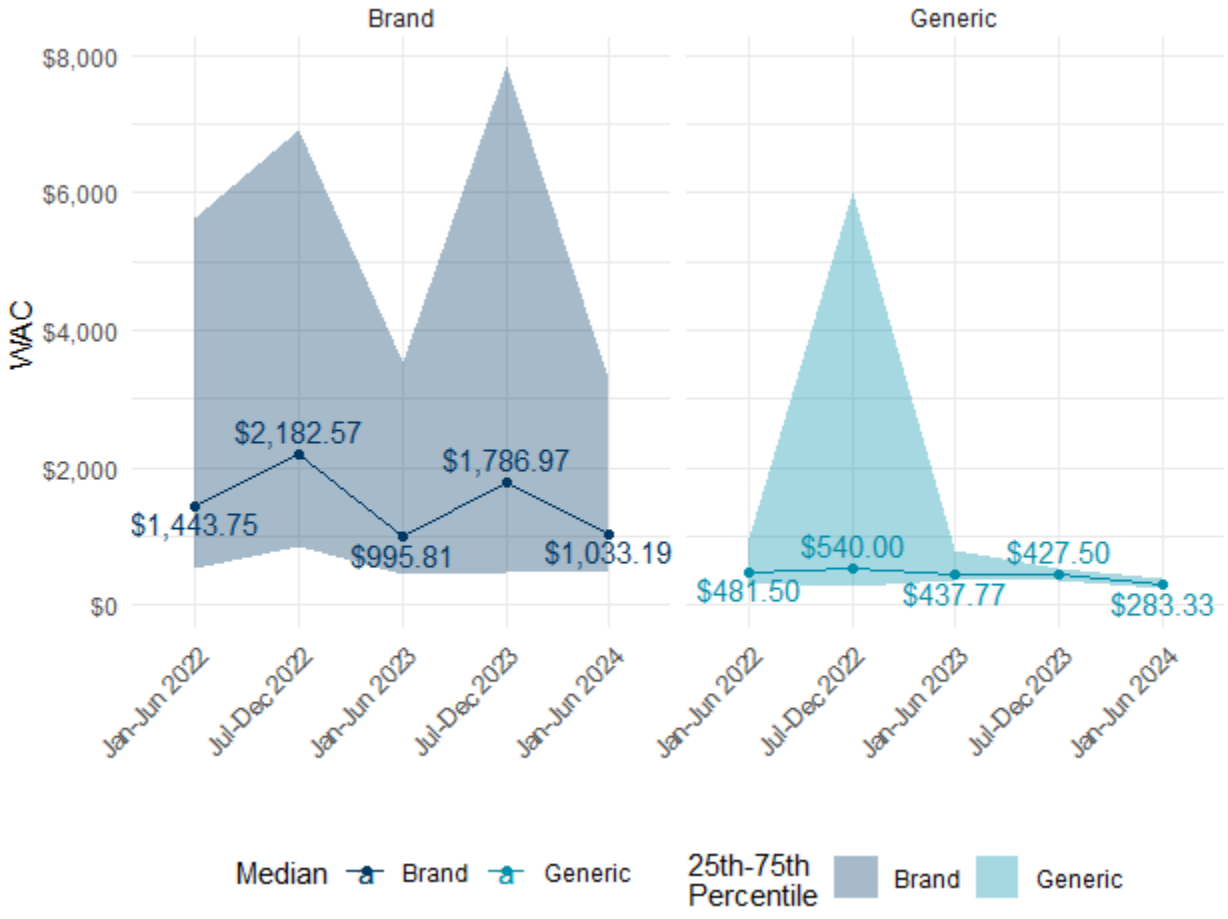


Sources: MDH, Health Economics Program summary of data reported under Minnesota's Prescription Drug Price Transparency Act for the period of July 1, 2023, to June 30, 2024; St. Louis Federal Reserve, Consumer Price Index for all Urban Consumers: Medical Care in U.S. City Average (https://fred.stlouisfed.org/series/CPIMEDSL).

Figure 3 shows the trend of list prices for all drugs with price increases that require reporting since the Act began in January 2022—broken down into six-month periods between brand and generic. The 25th-75th percentile range, which is shaded in Figure 3, represents the middle 50% of new list prices (25% of prices are more expensive than the shaded area and 25% are cheaper). As expected, prices are consistently higher for brand drugs than for generic drugs. Drug manufacturers' price increases often occur at the beginning of January and the beginning of July. There is an emerging pattern of brand drugs having larger price increases in the second half of the year, but it's too early to draw concrete conclusions.

Prices for generic drugs with required price increase events seem to be trending slightly downward, but it is similarly too early to draw any hard conclusions. The sample size for generic drugs was also small because of a more lenient reporting requirement, ranging from six to 15 price growth events in any given six months. The spike in the 25th-75th percentile range for generics in the second half of 2022 is due to several generic drugs with list prices over $5,000 posting price increases, which is relatively rare in the generic market, and looks more severe because of the small number of required generic pricing events.

Figure 3. Price trend for brand and generic drugs with price increases requiring reporting—25th-75th percentile range and median, 2022-2024



Sources: MDH, Health Economics Program analysis of Medi-Span reference data from Wolters Kluwer's Medi-Span Suite of electronic drug data files. Additional information about Medi-Span is available at: Medi-Span: Drug Data Solutions for Healthcare (https://www.wolterskluwer.com/en/solutions/medi-span). MDH, Health Economics Program summary of data reported under Minnesota's Prescription Drug Price Transparency Act for the period of January 1, 2022, to June 30, 2024.

Generic delay agreements

Among the 628 submitted price growth reports for brand drugs, there were 13 with generic delay agreements. Generic delay agreements are agreements between brand and generic manufacturers where the generic manufacturer agrees to delay launch of a drug product in exchange for payment from the brand

manufacturer.[39, 40] They usually occur due to lawsuits, settlements, or patent disputes, and have been estimated to cost U.S. consumers an additional $3.5 billion in drug costs annually.[41]

The existence of a generic delay agreement for a drug with a significant price increase means that payers are paying increasingly higher prices for drugs while lower-cost alternatives are being postponed. During this period, the 13 drugs with generic delay agreements cost Minnesota payers approximately $65 million and had more than 11,500 claims. While generic manufacturers are paid for their delayed entry to the market, there is no clear benefit to consumers and payers.

Types of price growth drugs

To illustrate the kinds of drugs where the impacts of pharmaceutical price increases are most significant, Table 3 displays the top 10 therapeutic classes for the 943 required price growth events by total pharmacy claims payments. The top three therapeutic classes were **pain relievers** (*Analgesics – Anti-Inflammatory*), **drugs for skin conditions** (*Dermatologicals*), and **anti-cancer drugs** (*Antineoplastics and Adjunctive Therapies*). Within these therapeutic classes, more than 20% of payments were for drugs with significant price growth. Price growth drugs in these three classes *each* cost Minnesota payers at least $150 million, or more than $570 million collectively—nearly 7% of all prescription spending during this time period.

A few expensive drugs can balloon costs both within a therapeutic class and generally. Biologics targeted toward autoimmune conditions—some of which are highlighted below—are cost drivers of prescription drug spending.[42] Prices for biologics have increased rapidly, suggesting that they will remain cost drivers into the future.

- Nearly two-thirds of all payments for the therapeutic class of pain relievers (*Analgesics – Anti-Inflammatory*) were for 10 formulations of etanercept (brand name Enbrel[43])—Minnesota payers paid $145 million, or 1.7% of total prescription spending, for more than 19,000 pharmacy claims at an average of about $7,600 per claim. Etanercept is a biologic drug that treats the inflammatory autoimmune conditions rheumatoid arthritis, ankylosing spondylitis, and psoriatic arthritis.[44]

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[39] Federal Trade Commission. Pay-for-Delay: When Drug Companies Agree Not to Compete. Available at Pay for Delay | Federal Trade Commission (https://www.ftc.gov/news-events/topics/competition-enforcement/pay-delay)

[40] Harvard Business Review. How Pharma Companies Game the System to Keep Drugs Expensive. Available at How Pharma Companies Game the System to Keep Drugs Expensive (https://hbr.org/2017/04/how-pharma-companies-game-the-system-to-keep-drugs-expensive)

[41] Federal Trade Commission. Pay-for-Delay FTC Staff Study. Available at Pay-for-Delay: How Drug Company Pay-Offs Cost Consumers Billions (https://www.ftc.gov/sites/default/files/documents/reports/pay-delay-how-drug-company-pay-offs-cost-consumers-billions-federal-trade-commission-staff-study/100112payfordelayrpt.pdf)

[42] American Journal of Health-System Pharmacy. National trends in prescription drug expenditures and projections for 2025. Available at National trends in prescription drug expenditures and projections for 2025 | American Journal of Health-System Pharmacy | Oxford Academic (https://academic.oup.com/ajhp/article/82/14/806/8117945)

[43] ENBREL® (etanercept) (https://www.enbrel.com/)

[44] National Library of Medicine. Etanercept. Available at Etanercept - StatPearls - NCBI Bookshelf (https://www.ncbi.nlm.nih.gov/books/NBK545252/)

- The remaining one-third of payments in the pain relievers therapeutic class were split between Apremilast (brand name Otezla[45]) and upadacitinib (brand name Rinvoq[46]). These drugs treat the same diseases as etanercept. Each accounted for slightly over $40 million in payments at an average of nearly $6,000 per claim.
- Five formulations of risankizumab-rzaa (brand name Skyrizi) and two formulations of secukinumab (brand name Cosentyx)—both brand name biologics—accounted for 14,700 claims and 99% of payments in the *Dermatologicals* therapeutic class (drugs for skin conditions)—totaling more than $180 million in spending (equivalent to 2.2% of all prescription spending). Skyrizi[47] and Cosentyx[48] treat plaque psoriasis and psoriatic arthritis, among other autoimmune conditions.

Interestingly, for some therapeutic classes, the majority of *all claims payments* were for drugs with price increases significant enough to require reporting—meaning that for these therapeutic classes, most drugs prescribed to patients became notably more expensive.

- The 10 drugs in the *Gastrointestinal Agents – Digestive Aids* therapeutic class were all different formulations of pancrelipase, and these 10 medications made up 81% of all spending on prescription digestive aids during this period. In other words, 81% of spending for prescription digestive aids were for drugs with a significant price increase.
- Similarly, drugs with required price growth reports in the *Hematological Agents – Hematopoietic Agents* therapeutic class made up 72% of the spending in that class. Drugs in this therapeutic class primarily treat different forms of thrombocytopenia and sickle cell disease. There were only 1,835 claims for the hematopoietic drugs, which means that (a) each claim was very expensive (more than $14,000), (b) most of the payments in this class are going toward drugs with significant price increases, and (c) each of these drugs is getting even more expensive.

While this pattern does not occur in every therapeutic class, it does show that price increases that occur across similar medications can leave patients with few affordable alternatives and can have disproportionate impacts on certain patient groups.

Table 3. Top 10 therapeutic classes by total pharmacy claims payments for price growth events, July 2023 – June 2024

Therapeutic class	Number of unique drugs (NDCs)* with price growth events	Number of price growth events*	Number of claims for price growth drugs	Total paid for price growth drugs	Share of all payments in class spent on drugs with price growth events
Analgesics - Anti-Inflammatory	28	31	33,863	$228,649,132	26%

[45] Otezla (https://www.otezla.com/)

[46] RINVOQ® (upadacitinib) (https://www.rinvoqhcp.com/)

[47] Skyrizi is approved for dermatological and gastrointestinal auto-immune conditions under different FDA indications. Risankizumab-rzaa is the generic drug name for the dermatological indication and Risankizumab-rzaa (Crohn's) is the generic drug name for the gastrointestinal indication. Skyrizi (https://www.skyrizi.com/)

[48] National Library of Medicine. Secukinumab. Available at Secukinumab - StatPearls - NCBI Bookshelf (https://www.ncbi.nlm.nih.gov/books/NBK537091/)

Therapeutic class	Number of unique drugs (NDCs)* with price growth events	Number of price growth events*	Number of claims for price growth drugs	Total paid for price growth drugs	Share of all payments in class spent on drugs with price growth events
Dermatologicals	23	24	16,420	$181,884,107	24%
Antineoplastics And Adjunctive Therapies	119	146	12,488	$161,937,589	24%
Central Nervous System Agents - Antipsychotics/Antimanic Agents	15	15	21,595	$36,022,256	16%
Gastrointestinal Agents - Digestive Aids	10	10	16,441	$35,566,428	81%
Gastrointestinal Agents - Misc	21	23	25,740	$33,776,976	32%
Migraine Products	12	12	28,387	$29,062,489	30%
Cardiovascular Agents - Antihyperlipidemics	5	5	28,862	$27,377,222	27%
Hematological Agents - Hematopoietic Agents	18	22	1,835	$25,776,123	72%
Psychotherapeutic and Neurological Agents - Miscellaneous - Misc	19	21	6,052	$19,590,902	8%

*Where the number of price growth events is larger than the number of unique drugs (NDCs), one drug had multiple price growth events between July 2023 and June 2024 that required reporting. That is, the manufacturer increased the price beyond the reporting threshold twice or more in the same year.

Sources: MDH, Health Economics Program analysis of Medi-Span reference data from Wolters Kluwer's Medi-Span Suite of electronic drug data files. Additional information about Medi-Span is available at: Medi-Span: Drug Data Solutions for Healthcare (https://www.wolterskluwer.com/en/solutions/medi-span); MDH, Health Economics Program summary of data reported under Minnesota's Prescription Drug Price Transparency Act for the period of July 1, 2023 to June 30, 2024; Minnesota Department of Health. Minnesota All Payer Claims Database. Available at: Minnesota All Payer Claims Database - MN Dept. of Health (https://www.health.state.mn.us/data/apcd/index.html)

International prices

A unique element of the Act is its requirement for manufacturers to report foreign prices for brand drugs when a drug is sold internationally.[49] This allows for a direct comparison of the gross price the manufacturer charges in the U.S. relative to up to 10 other countries.

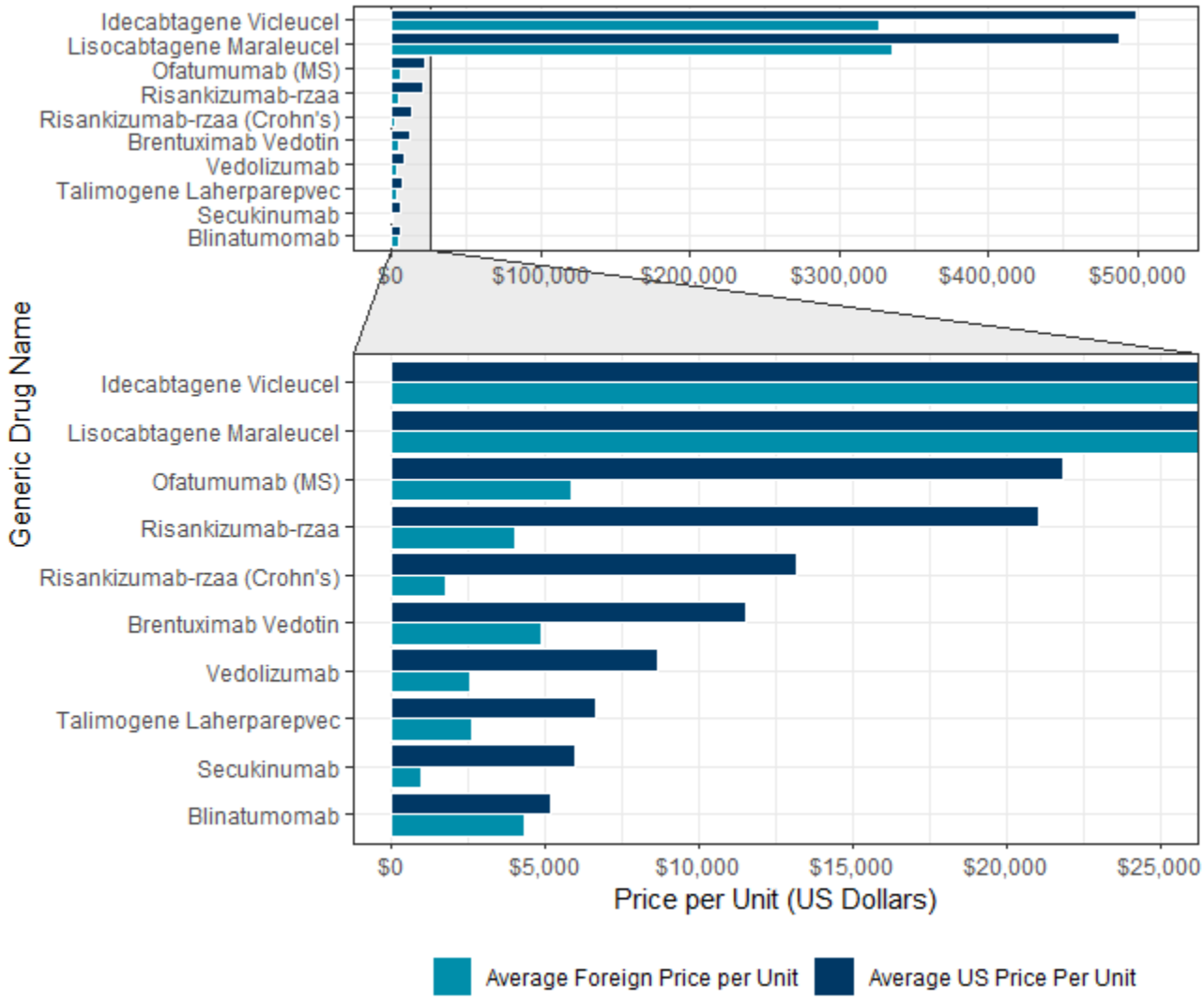
Figure 4 shows the unit price of some of the most expensive drug families with submitted price growth reports compared to the average foreign price for the same drug family.[50] In every case, the U.S. price of the drug family—all of which are branded—was higher than the average foreign price, ranging from 19% higher (blinatumomab) to 528% higher (secukinumab). That means U.S. consumers are paying up to five times more

[49] Manufacturers must submit foreign prices in US dollars and for the foreign equivalent of WAC.

[50] These are not the 10 most expensive drugs (as identified in Appendix C: Top 25 most expensive drugs subject to price growth reporting) because not all of those drugs are sold internationally.

per milliliter, gram, or pill of these medications than consumers in other countries. For secukinumab (brand name Cosentyx), which has the most extreme US-international price ratio of these drug families, 1,676 Minnesotans paid around $5,000 per milliliter (per month) compared to an average list price of around $1,200 per milliliter (per month) in other countries.[51] Among all price growth drugs that reported international prices, U.S. list prices were a median of 371% greater than equivalent international prices.

Figure 4. Average list price per unit in the US and foreign markets for the most expensive price growth drug families with foreign price reporting



Source: MDH, Health Economics Program summary of data reported under Minnesota's Prescription Drug Price Transparency Act for the period of July 1, 2023, to June 30, 2024.

[51] Secukinumab is a once-monthly, one-milliliter injectable drug. It is a monoclonal antibody used to treat autoimmune conditions.

For perspective, the industry-wide average net profit margin in the U.S. is 8.9% for non-biologics and is 13.2% for biologics.[52] Specific pricing, pharmacy claims, and net profit margin information for the drugs shown in Figure 4 plus the remainder of the top 25 most expensive price growth drugs is in Appendix C. Manufacturers of the 24 most expensive drug families submitted to MDH collectively reported more than $11.5 billion in national profits in the year prior to their reporting, with an average net profit margin of 19.7%—that is, for every dollar of revenue generated from these top 24 drug families, about 20 cents was retained as profit by the manufacturer.

In sum, data from the Act shows that U.S. prices continue to be substantially higher than international prices for expensive brand drugs, with much of that money going to pharmaceutical manufacturers as profits per their own reporting (Figure 4).[53]

Impact assessment

As a part of its annual legislative report, MDH must assess the Act's effectiveness in addressing three primary goals identified in statute:

- Promoting transparency in pharmaceutical pricing for the state and other payers.
- Enhancing the understanding of pharmaceutical spending trends.
- Assisting the state and other payers in the management of pharmaceutical costs.

This section provides MDH's assessment of these goals.

Goal 1: Promoting transparency in pharmaceutical pricing

This initiative brings transparency into the pricing and larger market context of some of the most important prescription drugs to Minnesota residents. Prior to the Act, Minnesotans only learned of price increases at the pharmacy counter. Now the Act enables the tracking and sharing of timely online information to the public—including payers, pharmacists, consumers, and policymakers—on notable drug prices: high priced new drugs, existing drugs with significant price increases, and drugs identified by MDH as 'of substantial public interest.' This report and other publications compare reported prices to the trends of other prescription drugs, make it easier for Minnesotans to access information on how much certain drugs cost in other countries, and bring nation-leading visibility into the flow of funds through the pharmaceutical supply chain. The impact is that relevant data are available to the more than 82,000 Minnesotans who take one or more of the drugs that saw recent price increases high enough to require reporting or the people who paid over $163 million for about 241,000 pharmacy claims for drugs on the first list of drugs of substantial public interest.[54]

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[52] New York University. Margins by Sector (US) (https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/margin.html)

[53] Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services. Comparing Prescription Drugs in the U.S. and Other Countries: Prices and Availability. Available at Comparing Prescription Drugs in the U.S. and Other Countries: Prices and Availability | ASPE (https://aspe.hhs.gov/reports/comparing-prescription-drugs)

[54] Drugs of Substantial Public Interest: List Methodology & Summary (https://www.health.state.mn.us/data/rxtransparency/docs/drugspimethod.pdf)

Minnesotans and researchers are using these data and research findings in growing numbers. In 2024, the number of subscribers to MDH's mailing list on prescription drug price transparency rose to over 8,000, and MDH saw over 32,000 visits to the price transparency web pages and data dashboards (see Appendix D for a snapshot of one dashboard). Researchers and others seeking to analyze the data independently are also high: MDH supported hundreds of downloads of the files containing the raw reported data. Another key constituency among prescription drug price transparency data users are the other state functions that MDH supports through transparency. For example, MDH provides data reported under the Act and other analysis to support Minnesota's Prescription Drug Affordability Board (PDAB).

Goal 2: Enhancing the understanding of pharmaceutical spending trends

Analysis of reported data identifies and helps illustrate features and trends in the prescription drug market in Minnesota. For example, with multiple years of reported data, MDH has observed that the therapeutic classes with the greatest numbers of drugs experiencing high price increases have remained relatively consistent. This suggests patients needing medications in these therapeutic classes may face higher financial burdens as compared to other patients. Additionally, MDH's analysis of generic delay agreements found that the 13 drugs reported to have had generic delay agreements accounted for $65 million in spending, demonstrating the notable amount of prescription drug spending associated with such agreements in Minnesota and the probable impact on spending by patients and their insurers.

Further, reporting on drugs of substantial public interest will explore the net prices ultimately paid for prescription drugs, the role of manufacturers and intermediaries in impacting those net prices, and concerns related to potential market failures in the pharmaceutical supply chain. The first group of drugs requiring reporting focused on drugs where the amount ultimately paid by payers and consumers is significantly higher than the manufacturers' original list prices. Data from this list will enable Minnesota to explore the flow of money as these drugs pass through the pharmaceutical supply chain—including manufacturers, wholesalers, pharmacy benefit managers, and pharmacies—to better understand the estimated share of total spending retained by supply chain entities. MDH will use subsequent lists to help make data on other key pricing trends and market variables available to the public.

MDH collected input from patients, insurers, researchers, and industry experts during the first year of public interest reporting—and will continue stakeholder engagement efforts into the future—to ensure the initiative produces meaningful analysis on issues important to Minnesota. MDH held a public comment period on its updated reporting guidance in 2024 and collected meaningful feedback from all reporting entity types, as well as subject matter experts, researchers, and other state officials with experience with prescription drug data. MDH opened a public input channel for collecting feedback from members of the public and reviews responses in the development of public interest lists. Finally, MDH regularly meets with health care payers, reporting entities, and other experts in the pharmaceutical market. These efforts help ensure MDH's work under the Act considers multiple stakeholder perspectives and is responsive to the public's interests. This feedback has also informed data dashboards and analysis.

Like the analyses and insights described above, MDH will continue to supplement data with synthesis and analysis using data on drugs of substantial public interest and more.

Goal 3: Assisting the state and other payers in the management of pharmaceutical costs

Prescription drug price transparency is only effective if the data are used and leveraged by stakeholders in the pharmaceutical supply chain. This could be a consumer using data to ask for less expensive prescription drug options at the counter, or an insurer leveraging new information when designing formularies negotiating drug reimbursements. However, current pharmaceutical cost management in Minnesota and across the United States is often fragmented and siloed. To address this and help ensure the Act assists in managing pharmaceutical costs, MDH has supported collaboration efforts and created new opportunities for leveraging the data, including engaging with stakeholders to tailor future data analytics to the issues facing employers sponsoring health insurance plans and key questions facing health care payers. MDH will continue to build on these practices of hosting public input opportunities, organizing meetings with diverse stakeholder groups to provide input on MDH's transparency work, and more.

Minnesota's prescription drug price transparency data have supported the efficient and informed implementation of new state initiatives to manage prescription drug costs. MDH has been asked to provide data, analysis, and expertise to support other initiatives in the state aimed at increasing the affordability of prescription drugs for people in Minnesota. For example, for the Prescription Drug Affordability Board (PDAB), MDH has provided background on the prescription drug market and related policies, provides data and analysis, and helps to identify drugs that may present affordability challenges to Minnesotans and other payers.

Public access to prescription drug data—both through identifying market dynamics of interest and providing data and analysis—supports the state and other health insurers to manage prescription drug spending. Consumers may use these data to choose less expensive alternative drug products and better understand pricing dynamics. Researchers may use these data to analyze price increases along different dimensions—including those in certain therapeutic classes or drug families or those used to treat certain conditions—to identify possible market failures. Moreover, the publication of information on the drug products that meet the reporting requirements as outlined in the Act may act as a check on manufacturers considering large price increases (Prescription Drug Price Transparency Data & Dashboards).[55] The new 'drugs of substantial public interest' initiative provides the greatest potential for MDH to increase transparency in the prescription drug market by analyzing and reporting on prices throughout the supply chain for specific drug products and entire drug families. With these data, health insurers and self-insured employers can ask questions of the entities they contract with for prescription drug benefits management and whether there are underutilized means of managing drug spending. And policymakers can access data on the market dynamics driving drug spending and better understand the possible impact of policy changes.

[55] Prescription Drug Price Transparency Data & Dashboards (https://www.health.state.mn.us/data/rxtransparency/dashboards/index.html)

Conclusion

The passage and the expansion of Minnesota's Prescription Drug Price Transparency Act continues to provide new and better sightlines into prescription drug pricing for people living in Minnesota, state policymakers, and health care payers. Overall, many pricing trends from July 2023 to June 2024 are consistent with previous reports—similar kinds of drugs are introduced at high prices and see price growth, and the prices for many drugs are increasing much more quickly than other inflation measures.

- Like in last year's report, the therapeutic class with the greatest number of new, high-priced drugs requiring reporting is for drugs treating cancer (Antineoplastics And Adjunctive Therapies).
- For drugs with significant price increases, two of the top three therapeutic classes were the same this year and last year: Allergenic Extracts/Biologicals Misc and Antineoplastics And Adjunctive Therapies.
- Like in last year's report, the median price increase among drugs with requiring a report was over 30% over a five-year period.

The prescription drug market is opaque, complex, and dynamic, which makes it hard for regulators to effectively oversee the market and for consumers and other purchasers to make informed decisions. Compared to states, the federal government has significant influence over the market dynamics and the regulatory framework governing prescription drugs. However, there are some meaningful policies states can enact and states can lead the nation by bringing transparency and attention to the market and its potential failures. Minnesota is doing this by shedding light on the flow of funds through the prescription drug supply chain through its 'drugs of substantial public interest' reporting. The Act—especially the new data available through the 2023 expansion—will continue to help stakeholders understand prescription drug pricing trends in Minnesota and how they impact prescription drug spending and access to medications.

MDH looks forward to continuing to produce data and insights that can be used by policymakers and key stakeholders in the pharmaceutical supply chain. MDH will continue to work with the Legislature and others on strengthening the impact these data have on efforts to make prescription drugs affordable to patients and ensure spending on prescription drugs sustainable for the state and other systems.

Appendix A: Glossary

Brand Drug – means a Prescription Drug that is produced or distributed pursuant to: (1) a new drug application approved under United States Code, title 21, section 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42, section 447.502; or (2) a biologics license application approved under United States Code, title 42, section 262(a)(c).

Drug – under the Act, reporting on drugs occurs at the dug product level, which is identified using National Drug Codes (NDCs). This is the most granular level of tracking drugs in the United States.

Drug Product Family – a group of one or more prescription drugs that share a unique generic drug description (non-trade name) and drug form.

Generic Drug – means a Prescription Drug that is marketed or distributed pursuant to: (1) an abbreviated new drug application approved under United States Code, title 21, section 355(j); (2) an authorized generic as defined under Code of Federal Regulations, title 42, section 447.502; or (3) a drug that entered the market the year before 1962 and was not originally marketed under a new drug application.

National Drug Code (NDC) – a code maintained by the federal Food and Drug Administration that is uniquely assigned by manufacturer, product, and packaging.

Price – price under the Act refers to the wholesale acquisition cost (WAC) of a drug, which is the list price set by the drug manufacturer. The price of a drug is rarely the same as what is ultimately paid by patients and health insurance plans.

Pricing Event – a pricing event is when a drug changes price. It could be setting the initial price upon introduction to the market, or it could be a price increase or decrease of an existing drug. Reporting under the Act is often determined based on pricing events (for new drug and price growth report types).

Rebate – a discount, chargeback, or other price concession that affects the price of a prescription drug product.

Report – A report is a submission to MDH by reporting entities including statutorily required data elements—these are primarily focused on drug financial information—for a single drug product. Each new drug and price growth pricing events that meets the statutory thresholds requires a report. And each drug on the public interest lists requires a report from each eligible reporting entity. Entities may submit multiple reports simultaneously.

- **Required report**: reports for drugs and pricing events that are required under the Act.
- **Submitted report**: reports submitted to MDH for required reports

Therapeutic Class – a group of drugs used for the treatment, remediation, or cure of a specific disorder or disease.

Wholesale Acquisition Cost (WAC) – a manufacturer's published list price for sale of a prescription drug product with a unique NDC to a wholesale drug distributor or other entity that purchases a prescription drug directly from the manufacturer, not including any price concessions.

Appendix B: Price growth distributions

Table B1. Price growth distributions based on Medi-Span data

	Drug (NDC) count	Median after increase	IQR* after increase	Median current increase	IQR* current increase	Median 12-month increase	IQR* 12-month increase	Median 24-month increase	IQR* 24-month increase
Brand Status									
Brand	920	$1,092.58	$470 - $3,851.43	5.0%	5.0% - 9.9%	10.1%	5.5% - 10.9%	18.9%	17.0% - 21.3%
Generic	23	$352.80	$224.33 - $415.52	67.5%	35.7% - 95.0%	72.1%	67.5% - 95.0%	72.1%	67.5% - 95.0%
Years on Market									
<= 5 Years	293	$895	$431.11 - $6,119.92	10.0%	5.0% - 10.2%	10.2%	10.0% - 14.2%	21.1%	18.3% - 25.1%
6 - 10 Years	225	$1,648.28	$701.56 - $6,144.16	5.0%	5.0% - 8.0%	10.2%	6.0% - 12.2%	18.8%	16.8% - 21.3%
11 - 15 Years	132	$865.76	$438.66 - $5,860.65	5.0%	4.5% - 9.5%	10.2%	8.0% - 10.3%	18.6%	15.8% - 20.0%
16 - 20 Years	118	$929.04	$472.07 - $2,592.49	5.0%	4.7% - 5.0%	5.0%	5.0% - 9.9%	17.9%	17.7% - 19.8%
Over 20 Years	175	$898.76	$362.08 - $1,576.72	5.0%	5.0% - 9.9%	9.9%	5.0% - 10.3%	17.9%	17.7% - 26.8%
WAC Range									
<= $500.00	269	$313	$203.32 - $437.63	10.0%	5.0% - 10.2%	10.2%	9.9% - 14.0%	21.0%	17.8% - 26.7%
$500.01 - $1700.00	327	$905.85	$641.79 - $1,266.72	5.0%	5.0% - 9.9%	10.0%	5.0% - 10.3%	17.9%	16.5% - 21.2%
>= $1700.01	347	$6,450	$2,790.81 - $17,413.42	5.0%	4.5% - 8.0%	9.9%	7.0% - 12.2%	18.9%	17.1% - 22.0%
Top Therapeutic Classes									
Antineoplastics And Adjunctive Therapies	146	$10,501.75	$3,634.46 - $20,847.43	5.0%	3.9% - 8.0%	10.0%	8.0% - 12.2%	18.9%	17.7% - 20.9%
Allergenic Extracts/Biologicals Misc	112	$482	$343 - $897.50	10.1%	10.1% - 10.3%	10.1%	10.1% - 10.3%	21.3%	21.1% - 21.5%
Neuromuscular Agents - Anticonvulsants	48	$910.78	$603.41 - $1,587.27	5.0%	5.0% - 5.1%	5.0%	5.0% - 10.3%	18.2%	17.9% - 18.9%
Endocrine and Metabolic Agents - Thyroid Agents	43	$438.91	$142 - $1,575.93	5.0%	5.0% - 9.9%	10.2%	9.9% - 10.3%	15.8%	15.8% - 18.6%
Central Nervous System Agents - Antidepressants	39	$574.92	$390.66 - $1,937.91	5.0%	5.0% - 5.0%	9.9%	5.0% - 10.3%	16.7%	15.8% - 17.9%

	Drug (NDC) count	Median after increase	IQR* after increase	Median current increase	IQR* current increase	Median 12-month increase	IQR* 12-month increase	Median 24-month increase	IQR* 24-month increase
Endocrine and Metabolic Agents - Misc	38	$3,267.86	$1,415.94 - $17,200.85	5.0%	4.5% - 5.0%	10.2%	9.2% - 12.1%	19.2%	16.8% - 25.3%
Analgesics - Anti-Inflammatory	31	$2,462.71	$1,239.28 - $4,990.05	5.0%	5.0% - 5.0%	5.0%	5.0% - 7.5%	17.9%	17.9% - 24.0%
Cardiovascular Agents - Antihypertensives	30	$603.97	$368.81 - $1,103.36	3.0%	2.0% - 5.0%	3.0%	2.0% - 5.0%	18.3%	17.7% - 18.9%
Dermatologicals	24	$717.62	$549.65 - $6,276.65	6.5%	5.0% - 7.5%	10.2%	7.0% - 15.0%	16.8%	15.6% - 21.6%
Gastrointestinal Agents - Misc	23	$1,778.31	$856.30 - $9,021.77	5.0%	5.0% - 6.2%	10.3%	9.9% - 12.1%	17.9%	15.8% - 18.9%

*IQR stands for inter-quartile range, which is the range that encompasses the middle 50% of values. 25% of values are above the range, and 25% of values are below the range.

Sources: MDH, Health Economics Program analysis of Medi-Span reference data from Wolters Kluwer's Medi-Span Suite of electronic drug data files. Additional information about Medi-Span is available at: Medi-Span: Drug Data Solutions for Healthcare (https://www.wolterskluwer.com/en/solutions/medi-span). MDH, Health Economics Program summary of data reported under Minnesota's Prescription Drug Price Transparency Act for the period of July 1, 2023, to June 30, 2024.

Appendix C: Top 25 most expensive drugs subject to price growth reporting

Note that the claims payments exclude medical benefit claims, which is particularly important for the infusion drugs.

Table C1. Top 25 most expensive drug families with price growth events

Rank	Drug family	Brand name	Condition(s) treated	Average price (WAC) per unit	Unit of measure	Average reported net profit margin	Total paid in claims†	Average claim payment per unit†	Number of patients †
1	Idecabtagene Vicleucel	Abecma	Cancer	$498,407.95	EA	14.8%	--	--	--
2	Lisocabtagene Maraleucel	Breyanzi	Cancer	$487,477.43	EA	7.4%	--	--	--
3	Donislecel-jujn	Lantidra	Diabetes	$300,000.00	EA	--*	--	--	--
4	Autologous Cultured Chondrocytes on Collagen Membrane	MACI	Knee Cartilage Defects	$56,171.00	EA	0.4%	--	--	--
5	Ofatumumab (MS)	Kesimpta	Multiple Sclerosis	$21,838.95	ML	14.5%	$16,251,948.01	$10,287.27	274
6	Risankizumab-rzaa	Skyrizi	Plaque Psoriasis, Psoriatic Arthritis	$21,017.36	ML	53.4%	$103,545,253.08	$19,825.84	2,008
7	Pasireotide Pamoate	Signifor	Cushing's Disease, Acromegaly	$17,413.42	EA	3.7%	$661,914.48	$17,418.80	<11
8	Risankizumab-rzaa (Crohn's)	Skyrizi	Crohn's, Ulcerative Colitis	$13,135.85	ML	53.4%	$9,578,406.50	$9,751.71	159
9	Leuprolide Acetate (6 Month)	Lupron Depot	Cancer	$12,264.75	EA	14.8%	$46,010.28	$11,502.57	<11
10	Leuprolide Acetate (CPP) (3 Month)	Lupron Depot-PED	Central Precocious Puberty	$11,808.94	EA	14.8%	$767,474.15	$11,807.29	37
11	Brentuximab Vedotin	Adcetris	Cancer	$11,522.00	EA	56.0%	--	--	--
12	Vedolizumab	Entyvio	Crohn's, Ulcerative Colitis	$8,666.58	EA	82.7%	$1,618,466.18	$8,321.41	43

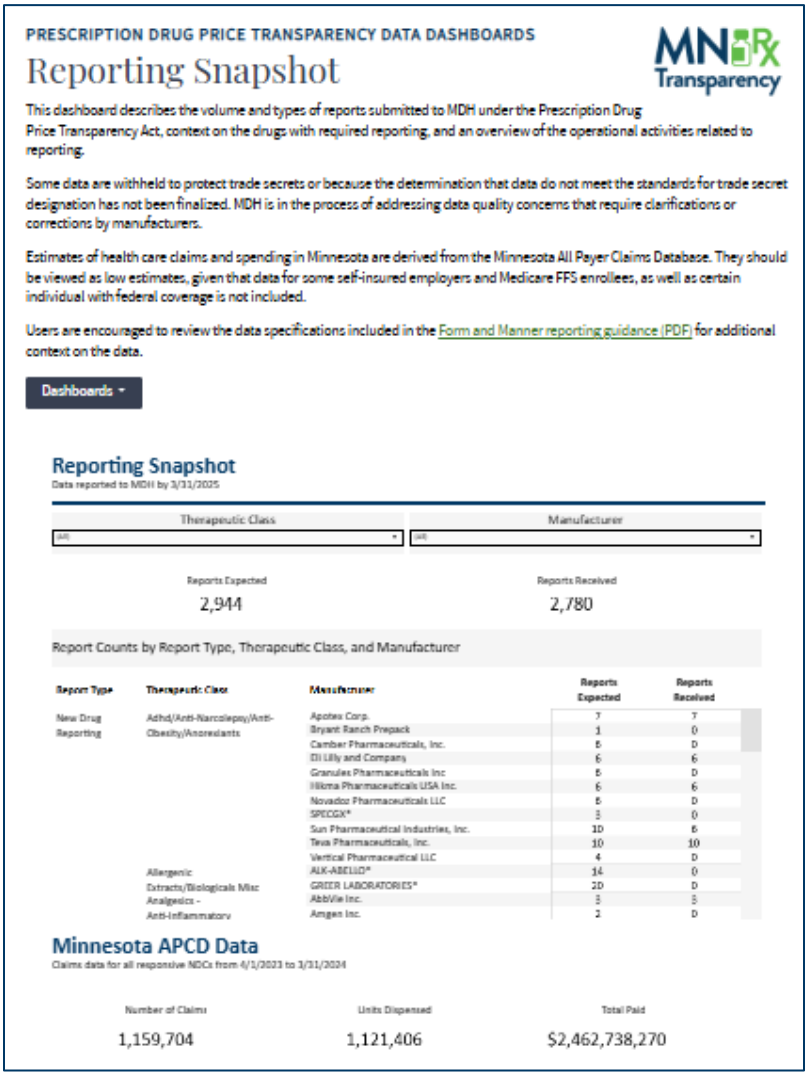
Rank	Drug family	Brand name	Condition(s) treated	Average price (WAC) per unit	Unit of measure	Average reported net profit margin	Total paid in claims†	Average claim payment per unit†	Number of patients †
13	Ropeginterferon alfa-2b-njft	Besremi	Cancer	$8,337.50	ML	9.6%	$5,065,486.00	$8,064.10	25
14	Leuprolide Acetate (4 Month)	Lupron Depot	Cancer	$8,176.38	EA	14.8%	$40,345.03	$8,069.01	<11
15	Antivenin Micrurus Fulvius	Antivenin	Snake Bites	$7,086.83	EA	23.3%	--	--	--
16	Tisotumab Vedotin-tftv	Tivdak	Cancer	$6,727.50	EA	-110.5%	--	--	--
17	Talimogene Laherparepvec	Imlygic	Cancer	$6,653.13	ML	3.0%	--	--	--
18	Collagenase Clostridium Histolyticum	Xiaflex	Dupuytren's Contracture, Peyronie's Disease	$6,460.85	EA	-11.8%	$377,364.72	$6,738.66	<11
19	Secukinumab	Cosentyx	Plaque Psoriasis, Psoriatic Arthritis	$5,927.17	ML	0.1%	$77,028,973.65	$4,180.79	1,676
20	Leuprolide Acetate (3 Month)	Lupron Depot	Cancer	$5,639.17	EA	14.8%	$211,864.13	$5,432.41	24
21	Blinatumomab	Blincyto	Cancer	$5,145.16	EA	2.9%	$845,926.23	$5,111.50	<11
22	Selinexor	Xpovio	Cancer	$3,966.15	EA	77.7%	$1,962,449.30	$4,097.00	19
23	Siltuximab	Sylvant	Castleman's Disease	$3,704.22	EA	31.0%	--	--	--
24	Enfortumab Vedotin-ejfv	Padcev	Cancer	$3,476.88	EA	-113.2%	--	--	--
25	Dinutuximab	Unituxin	Cancer	$3,466.29	ML	86.8%	--	--	--

† MDH analyzed retail pharmacy claims processed through the pharmacy benefit between April 2023 and March 2024 (gathered from the MN APCD). Many of the drugs on this list must be administered by a provider and are billed under the medical benefit, which was not analyzed for this analysis. Items lacking pharmacy claims does not necessarily mean they were not used in Minnesota.

*MDH did not receive a price growth report from the manufacturers of donislecel-jujn (brand name Lantidra), so cannot evaluate the reported net profit margin.

Sources: MDH, Health Economics Program analysis of Medi-Span reference data from Wolters Kluwer's Medi-Span Suite of electronic drug data files. Additional information about Medi-Span is available at: Medi-Span: Drug Data Solutions for Healthcare (https://www.wolterskluwer.com/en/solutions/medi-span); MDH, Health Economics Program summary of data reported under Minnesota's Prescription Drug Price Transparency Act for the period of July 1, 2023 to June 30, 2024.
Minnesota All Payer Claims Database. Available at: Minnesota All Payer Claims Database - MN Dept. of Health (https://www.health.state.mn.us/data/apcd/index.html)

Appendix D: Prescription Drug Price Transparency Reporting Snapshot



PRESCRIPTION DRUG PRICE TRANSPARENCY DATA DASHBOARDS

Reporting Snapshot

MN Rx Transparency

This dashboard describes the volume and types of reports submitted to MDH under the Prescription Drug Price Transparency Act, context on the drugs with required reporting, and an overview of the operational activities related to reporting.

Some data are withheld to protect trade secrets or because the determination that data do not meet the standards for trade secret designation has not been finalized. MDH is in the process of addressing data quality concerns that require clarifications or corrections by manufacturers.

Estimates of health care claims and spending in Minnesota are derived from the Minnesota All Payer Claims Database. They should be viewed as low estimates, given that data for some self-insured employers and Medicare FFS enrollees, as well as certain individual with federal coverage is not included.

Users are encouraged to review the data specifications included in the Form and Manner reporting guidance (PDF) for additional context on the data.

Dashboards

Reporting Snapshot

Data reported to MDH by 3/31/2025

Therapeutic Class | Manufacturer

Reports Expected: 2,944

Reports Received: 2,780

Report Counts by Report Type, Therapeutic Class, and Manufacturer

Report Type	Therapeutic Class	Manufacturer	Reports Expected	Reports Received
New Drug Reporting	Adhd/Anti-Narcolepsy/Anti-Obesity/Anorexiants	Apotex Corp.	7	7
		Bryant Ranch Prepack	1	0
		Camber Pharmaceuticals, Inc.	8	0
		Eli Lilly and Company	6	6
		Granules Pharmaceuticals Inc	8	0
		Hikma Pharmaceuticals USA Inc.	6	6
		Novadoz Pharmaceuticals LLC	8	0
		SPECGX*	3	0
		Sun Pharmaceutical Industries, Inc.	10	6
		Teva Pharmaceuticals, Inc.	10	10
		Vertical Pharmaceutical LLC	4	0
	Allergenic Extracts/Biologicals Misc	ALK-ABELLO*	14	0
	Analgesics - Anti-Inflammatory	GRIER LABORATORIES*	20	0
		AbbVie Inc.	3	3
		Amgen Inc.	2	0

Minnesota APCD Data

Claims data for all responsive NDCs from 4/1/2023 to 3/31/2024

Number of Claims: 1,159,704

Units Dispensed: 1,121,406

Total Paid: $2,462,738,270

Source: MDH, Health Economics Program, Reporting Snapshot Data Dashboard, available at: https://www.health.state.mn.us/data/rxtransparency/dashboards/index.html.