

# Prescription Drug Rebates in Colorado

Prescription drug rebates are provided by manufacturers to health insurance payers and Pharmacy Benefit Managers (PBMs) as an incentive to cover their drugs under their health insurance plans. The ultimate goal is to help lower overall costs for the health plans, and while that remains true for Medicaid, some argue that it does not lower costs for Medicare Part D patients. Additionally, in Colorado, commercial payers were not required to begin using rebates to reduce premiums and drug costs for employers and members until January 2024.

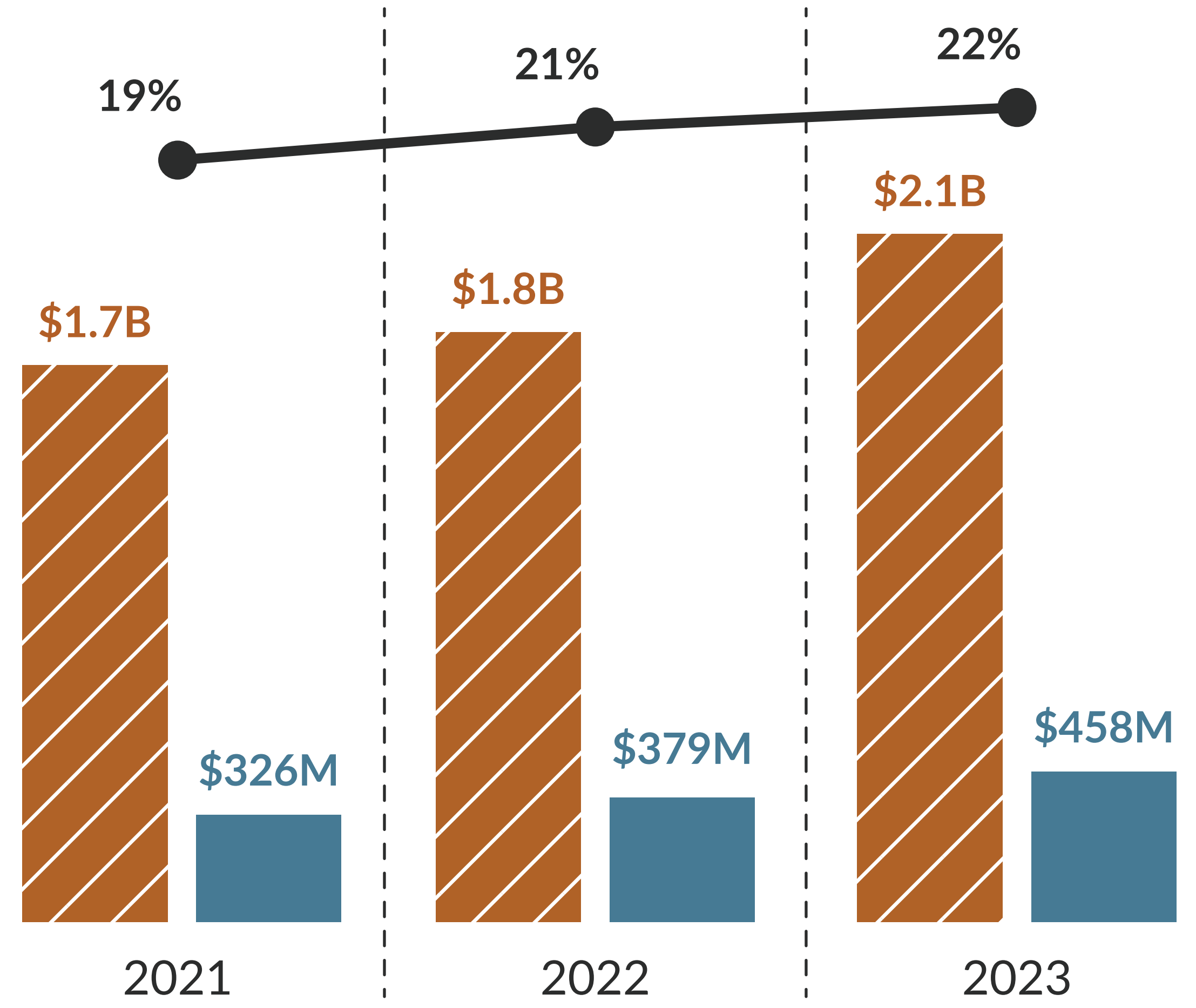
Prescription drug spending is a [leading contributor](#) to rising health care costs across the United States.

Drug rebates have been offered as a solution.



## From 2021 to 2023, Drug Rebates and Total Drug Spending Increased

Across all payers, drug rebates rose 30%, and total prescription drug spending rose 24% when subtracting drug rebates received by payers.



## Percent Rebates of Total Prescription Drug Spending Continues to Rise

Commercial Payers, 2021-2023

- Total RX Spending
- Rebate Amount
- % Rebate of Total Spending

## Commercial Payers are Receiving More Rebates

**41% ↑**

Increase in total rebates received from 2021 to 2023

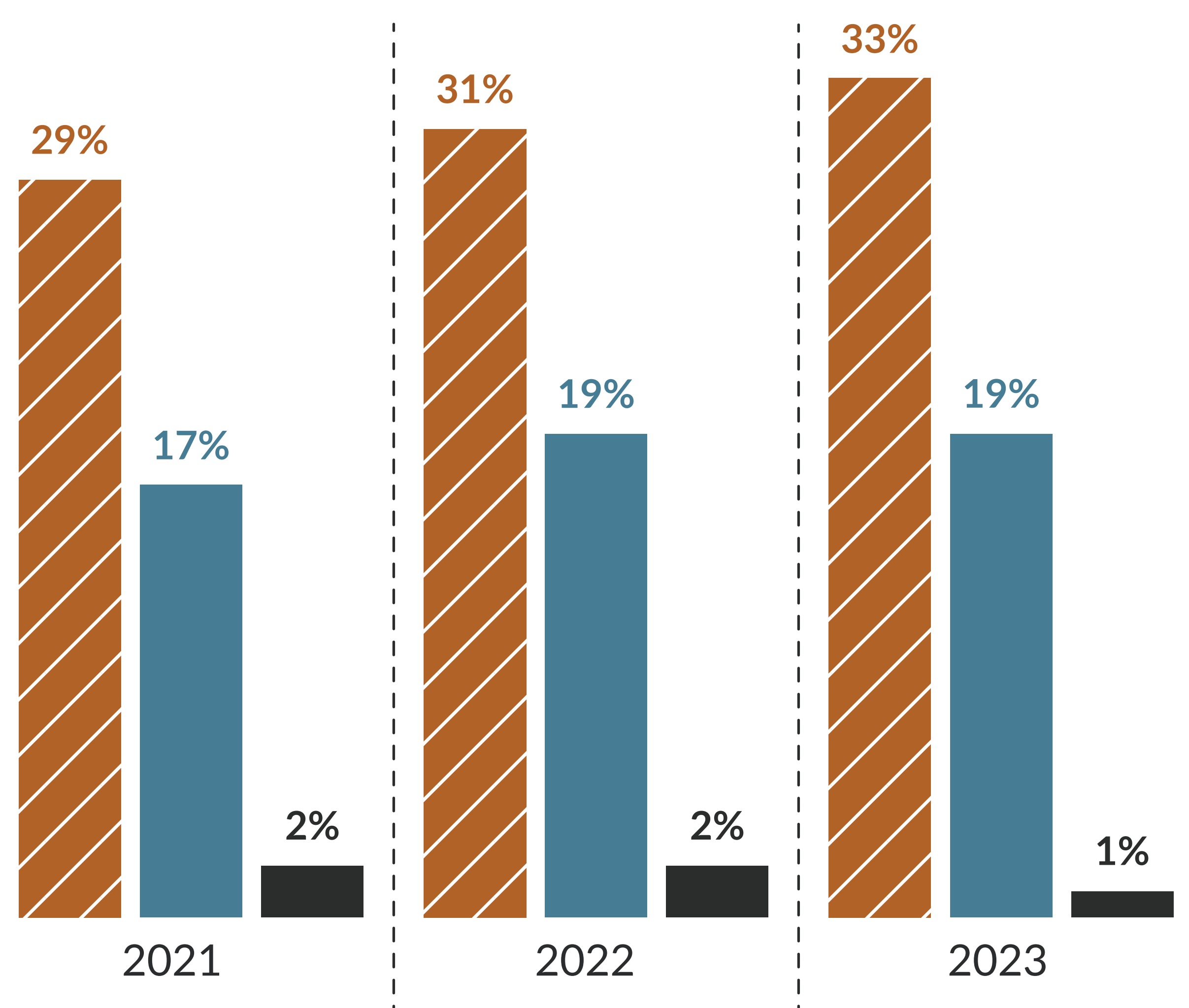
## Specialty Drugs Account for the Majority of Drug Spending | Commercial Payers, 2023

Specialty drugs accounted for almost half of total prescription drug spending among commercial payers, but represented just 1% of total volume.

## Percent Rebate of Total Spending Rising Over Time for Specialty and Brand Drugs.

Commercial Payers, 2021-2023

- Brand
- Specialty
- Generic



## Costs for Specialty and Brand Drugs Continue to Rise Year Over Year.

Commercial Payers, 2021-2023

### Specialty Drugs

**46% ↑**

Increase in specialty drug rebates

**28% ↑**

Increase in total spending for specialty drugs

### Brand Drugs

**40% ↑**

Increase in brand drug rebates

**25% ↑**

Increase in total spending for brand drugs

For a list of the top 15 drugs rebated and to view our full Drug Rebate Analysis, visit us at [civhc.org](http://civhc.org).

