

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

Specialty prescription drugs administered by health care professionals are a **key driver of recent increases in health care costs**.¹ These medications include short-term regimens as well as maintenance treatments for chronic conditions. Since 2013, annual growth in per capita spending on administered specialty drugs has averaged **14 percent**.²



14% annual spending growth
on administered specialty drugs

The Savings Opportunity

Administering specialty drugs in **physician offices** and **patients' homes** instead of hospital outpatient settings **reduces the cost of the drugs and their administration by \$16,000 to \$37,000** per privately insured patient per year for five conditions that account for over 75 percent of spending on administered drugs.³



33-52% lower
average monthly cost
in physician offices
and patients' homes



\$16,000 to \$37,000 savings
per patient per year



180,000
patients treated in
hospital outpatient
settings



\$4 Billion
in savings each year

Compared to **independent physician offices**, hospitals charge more for specialty drugs and their administration, whether treatment takes place in a hospital facility or in a hospital-owned physician practice.

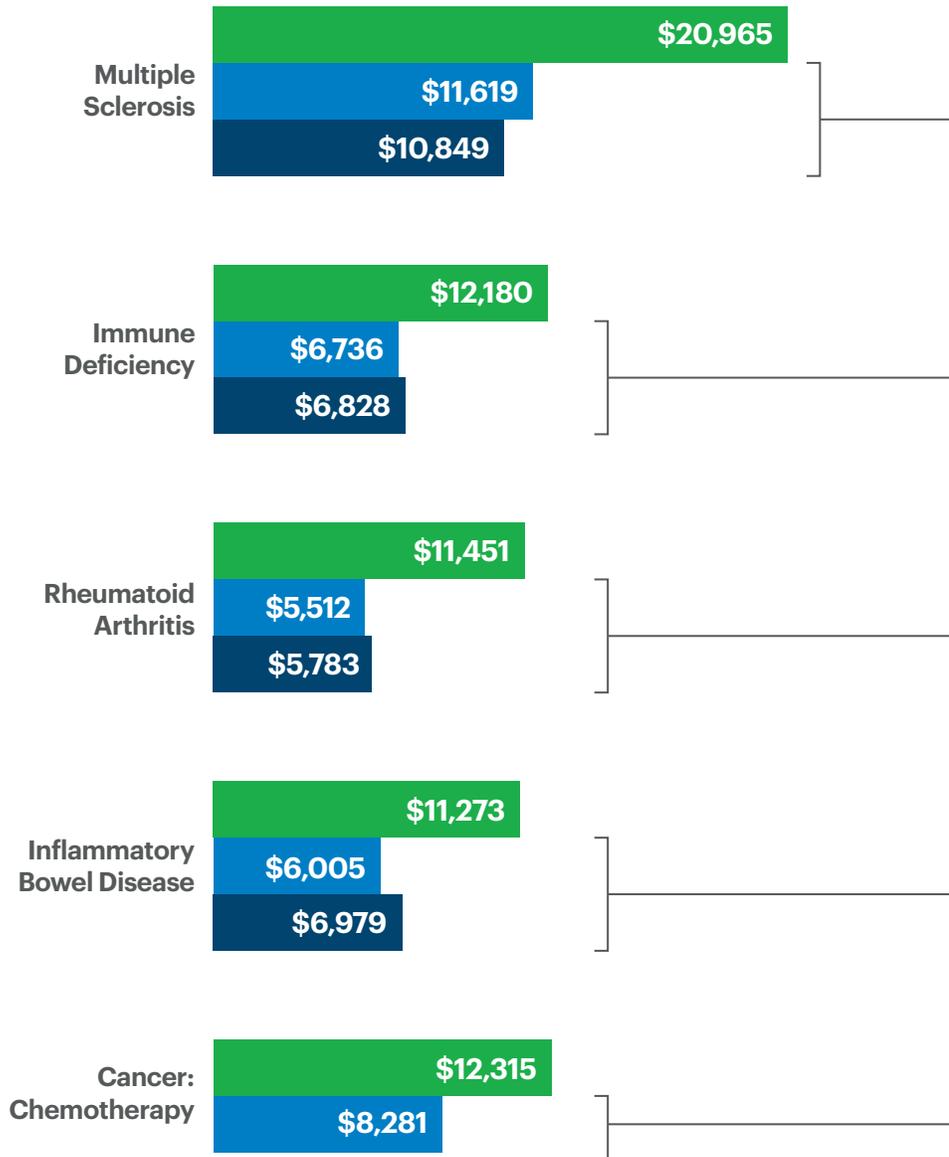
For certain administered specialty drugs, **treatment at home** can improve patients' physical and mental wellbeing and reduce disruption of work schedules and family responsibilities, all without increasing the likelihood of adverse drug events or side effects.⁴

The Savings Opportunity by Condition

Administering specialty drugs in **physician offices** and **patients' homes** instead of hospital outpatient settings offers the following savings opportunities per privately insured patient per year.⁵

Monthly Cost of Administered Specialty Drugs for Privately Insured Individuals, 2018

■ Hospitals ■ Physician Offices ■ Patients' Homes



Savings Opportunity per Patient per Year

\$37,000 savings
for 4 months of treatment

\$32,000 savings
for 6 months of treatment

\$28,000 savings
for 5 months of treatment

\$21,000 savings
for 5 months of treatment

\$16,000 savings
for 4 months of treatment

Methodology and sources for citations are available at: www.unitedhealthgroup.com/hospitals-specialtyrx.