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

### 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.²

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

<table>
<thead>
<tr>
<th>Condition</th>
<th>Hospitals</th>
<th>Physician Offices</th>
<th>Patients’ Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Sclerosis</td>
<td>$10,849</td>
<td>$11,619</td>
<td>$20,965</td>
</tr>
<tr>
<td>Immune Deficiency</td>
<td>$6,736</td>
<td>$12,180</td>
<td></td>
</tr>
<tr>
<td>Rheumatoid Arthritis</td>
<td>$5,512</td>
<td>$11,451</td>
<td></td>
</tr>
<tr>
<td>Inflammatory Bowel Disease</td>
<td>$6,005</td>
<td>$11,273</td>
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</tr>
<tr>
<td>Cancer: Chemotherapy</td>
<td>$8,281</td>
<td>$12,315</td>
<td></td>
</tr>
</tbody>
</table>

### Savings Opportunity per Patient per Year

- **$37,000 savings** for 4 months of treatment (Multiple Sclerosis)
- **$32,000 savings** for 6 months of treatment (Immune Deficiency)
- **$28,000 savings** for 5 months of treatment (Rheumatoid Arthritis)
- **$21,000 savings** for 5 months of treatment (Inflammatory Bowel Disease)
- **$16,000 savings** for 4 months of treatment (Cancer: Chemotherapy)

Methodology and sources for citations are available at: [www.unitedhealthgroup.com/hospitals-specialtyrx](http://www.unitedhealthgroup.com/hospitals-specialtyrx).