



Mark Cuban's Cost Plus Drug Company and Potential Cost Savings for Otolaryngologic Care

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Background

- Direct-to-consumer pharmaceutical models such as the Mark Cuban Cost Plus Drug Company (MCCPDC) acquire prescription medications at a lower cost and provide significant cost savings in comparison to other prescription resources.
- To date, no previous studies have compared differences in otolaryngologic prescription costs when purchasing through MCCPDC vs. Medicare Part D.

Methods

- We queried 2021 data (Part D) from the Centers for Medicare & Medicaid Service and identified the top 25 otolaryngologic medications by claim volume.
- The medications were then cross-referenced for inclusion with the MCCPDC (<https://costplusdrugs.com/>) medication list.
- Total dosage units dispensed, total claims, total spending, and average weighted cost per dosage unit were extracted from Part D claims data.
- Savings with prescription purchasing through MCCPDC were estimated by substituting unit prices listed on Medicare claims with those offered by MCCPDC online pharmacy.
- Cost projection was performed and Medicare spending was adjusted based on the National Average Drug Acquisition Cost (NADAC) dataset, accounting for manufacturing and ingredient cost changes.

Results

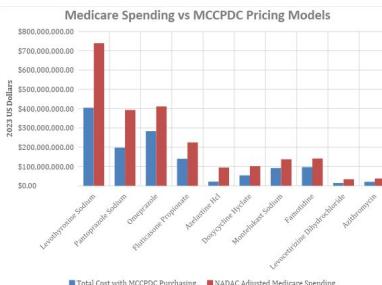


FIGURE 1: Cost Comparison of Medicare Spending vs MCCPDC Pricing Models (Top 10 Medications as ranked by Overall Savings)

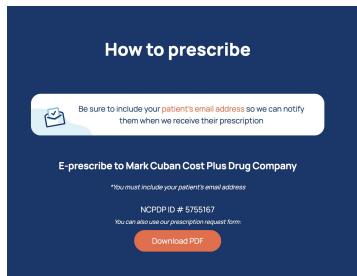


TABLE 1: Sample Breakdown by Claim Volume, Medication Category, and Potential Medicare Savings

	Rank by Claim Volume	Generic Drug Name	Total Potential Savings with MCCPDC Pricing Model	% Savings
Volume or mass based (3 count supply pricing)	1	Fluticasone Propionate	\$85,009,994.60	38%
	2	Azelastine Hcl	\$73,002,231.81	77%
	8	Mupirocin	\$10,841,316.05	40%
	3	Ipratropium Bromide	\$10,785,659.21	16%
	20	Neomycin/Polymyxin B/Hydrocortisone	-\$565,880.58	-2%
Short-Term (30 count supply pricing)	24	Doxycycline Hydrate	\$48,061,405.69	47%
	21	Azithromycin	\$16,871,300.44	45%
	23	Cefdinir	\$12,185,602.65	42%
	9	Amoxicillin/Potassium Clav.	\$9,859,657.27	16%
	19	Cephalexin	-\$9,731,320.55	-2%
	13	Methylprednisolone	-\$10,432,358.97	-32%
	7	Prednisone	-\$88,418,191.67	-109%
Long-Term (90 count supply pricing)	15	Levothyroxine Sodium	\$335,254,922.67	45%
	10	Pantoprazole Sodium	\$195,683,596.69	50%
	4	Omeprazole	\$128,319,599.52	31%
	5	Montelukast Sodium	\$45,561,221.04	33%
	6	Famotidine	\$44,543,145.81	32%
	16	Levocetirizine Dihydrochloride	\$19,514,704.76	58%

Results

- The total Medicare spending across the 18 medications was \$2.69 billion.
- In the long-term group, there were potential savings of \$769 million (41%). The short term group showed potential savings of \$87 million (22%) and the volume/mass-based group showed potential savings of \$180 million (41%).
- Four medications had disadvantaged price points.
- Total potential savings were \$1.0469 billion (39%) across 14 out of 18 medications (excluding medications with disadvantaged price points).



Discussion

- The MCCPDC may have potential to reduce spending on prescription drugs frequently prescribed within otolaryngology.
- Our findings provide optimism that growing negotiation powers for CMS and additional avenues for purchasing medication may assist in alleviating the burden of a growing national healthcare expenditure.
- Savings provided by MCCPDC may serve as an avenue for otolaryngologists to provide cost-effective, value-based care to their patients.

Contact

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Mark Cuban Cost Plus Drug. <https://www.costplusdrugs.com/providers/>