

Hospitals Receive from Commercial Payers 2.5x What They Paid to Acquire These Medicines



NEW ANALYSIS from the Moran Company found hospitals mark up medicine prices, on average, nearly 500 percent. The analysis of 20 medicines also found the amount hospitals receive from commercial payers is 250 percent what they paid to acquire these medicines. Moran evaluated medicines across a range of therapeutic areas, such as cancer, autoimmune and rare diseases, retinal disorders and arthritis.

Drug	Amount hospital received from commercial payer for medicine	Amount hospital paid to acquire medicine	Amount hospital received as % of what biopharmaceutical company received
1	\$39,822	\$19,792	201%
2	\$27,049	\$14,776	183%
3	\$10,159	\$3,431	296%
4	\$9,660	\$4,531	213%
5	\$9,607	\$4,917	195%
6	\$8,676	\$4,348	200%
7	\$8,433	\$3,785	223%
8	\$7,759	\$2,693	288%
9	\$6,718	\$2,841	236%
10	\$6,477	\$2,968	218%
11	\$6,388	\$2,584	247%
12	\$5,394	\$2,155	250%
13	\$4,833	\$2,290	211%
14	\$4,414	\$1,720	257%
15	\$3,969	\$1,911	208%
16	\$2,680	\$1,657	162%
17	\$1,374	\$442	311%
18	\$1,249	\$642	194%
19	\$693	\$198	350%
20	\$627	\$191	328%

Moran Company, "Hospital Charges and Reimbursement for Drugs: Analysis of Mark Ups Relative to Acquisition Cost." October 2017.