



Financial Services Division

Model the fiscal impact of removing the prior authorization for HIV treatment regimens.

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The estimated range of total cost outcomes is between \$6,332,306 and \$63,323,058.

The estimated range of GF-S cost outcomes is between \$1,372,203 and \$13,722,030.

Utilization Date Range

From 1/1/2019

To 12/31/2019

Combined cost of MTR utilizers switching to STRs

MTR Users	Shift Percentage	Additional Costs for STR	Additional GF-S Costs for STR
5738	10%	\$6,332,306	\$1,372,203
5738	15%	\$9,498,459	\$2,058,305
5738	20%	\$12,664,612	\$2,744,406
5738	25%	\$15,830,765	\$3,430,508
5738	30%	\$18,996,918	\$4,116,609
5738	35%	\$22,163,070	\$4,802,711
5738	40%	\$25,329,223	\$5,488,812
5738	45%	\$28,495,376	\$6,174,914
5738	50%	\$31,661,529	\$6,861,015
5738	55%	\$34,827,682	\$7,547,117
5738	60%	\$37,993,835	\$8,233,218
5738	65%	\$41,159,988	\$8,919,320
5738	70%	\$44,326,141	\$9,605,421
5738	75%	\$47,492,294	\$10,291,523
5738	80%	\$50,658,447	\$10,977,624
5738	85%	\$53,824,600	\$11,663,726
5738	90%	\$56,990,753	\$12,349,827
5738	95%	\$60,156,905	\$13,035,929
5738	100%	\$63,323,058	\$13,722,030

MTR Utilizer switching to STR

Excludes Truvada and Descovy PrEP utilizers

MTR Users	Shift Percentage	Additional Costs for STR	Additional GF-S Costs for STR
3914	10%	\$4,971,132	\$1,080,358
3914	15%	\$7,456,697	\$1,620,538
3914	20%	\$9,942,263	\$2,160,717
3914	25%	\$12,427,829	\$2,700,896
3914	30%	\$14,913,395	\$3,241,075
3914	35%	\$17,398,961	\$3,781,254
3914	40%	\$19,884,526	\$4,321,433
3914	45%	\$22,370,092	\$4,861,613
3914	50%	\$24,855,658	\$5,401,792
3914	55%	\$27,341,224	\$5,941,971
3914	60%	\$29,826,789	\$6,482,150
3914	65%	\$32,312,355	\$7,022,329
3914	70%	\$34,797,921	\$7,562,508
3914	75%	\$37,283,487	\$8,102,688
3914	80%	\$39,769,053	\$8,642,867
3914	85%	\$42,254,618	\$9,183,046
3914	90%	\$44,740,184	\$9,723,225
3914	95%	\$47,225,750	\$10,263,404
3914	100%	\$49,711,316	\$10,803,584

Truvada PrEP utilizers switching to Descovy.

MTR Users	Shift Percentage	Additional Costs for STR	Additional GF-S Costs for STR
1824	10%	\$1,361,174	\$291,845
1824	15%	\$2,041,761	\$437,767
1824	20%	\$2,722,349	\$583,689
1824	25%	\$3,402,936	\$729,612
1824	30%	\$4,083,523	\$875,534
1824	35%	\$4,764,110	\$1,021,456
1824	40%	\$5,444,697	\$1,167,379
1824	45%	\$6,125,284	\$1,313,301
1824	50%	\$6,805,871	\$1,459,223
1824	55%	\$7,486,458	\$1,605,146
1824	60%	\$8,167,046	\$1,751,068
1824	65%	\$8,847,633	\$1,896,990
1824	70%	\$9,528,220	\$2,042,913
1824	75%	\$10,208,807	\$2,188,835
1824	80%	\$10,889,394	\$2,334,757
1824	85%	\$11,569,981	\$2,480,680
1824	90%	\$12,250,568	\$2,626,602
1824	95%	\$12,931,156	\$2,772,524
1824	100%	\$13,611,743	\$2,918,447

	Average Annual Cost
STR	\$25,024
MTR	\$12,333

	Average Annual Cost
Descovy	\$15,412
Truvada	\$7,890

MC cost overall

MTR Users	Shift Percentage	Additional Costs for STR	Additional GF-S Costs for STR
5508	10%	\$6,079,396	\$1,276,679
5508	15%	\$9,119,094	\$1,915,019
5508	20%	\$12,158,793	\$2,553,358
5508	25%	\$15,198,491	\$3,191,698
5508	30%	\$18,238,189	\$3,830,038
5508	35%	\$21,277,887	\$4,468,377
5508	40%	\$24,317,585	\$5,106,717
5508	45%	\$27,357,283	\$5,745,057
5508	50%	\$30,396,981	\$6,383,396
5508	55%	\$33,436,679	\$7,021,736
5508	60%	\$36,476,378	\$7,660,075
5508	65%	\$39,516,076	\$8,298,415
5508	70%	\$42,555,774	\$8,936,755
5508	75%	\$45,595,472	\$9,575,094
5508	80%	\$48,635,170	\$10,213,434
5508	85%	\$51,674,868	\$10,851,774
5508	90%	\$54,714,566	\$11,490,113
5508	95%	\$57,754,265	\$12,128,453
5508	100%	\$60,793,963	\$12,766,792

MTR Utilizer switching to STR
Excludes Truvada and Descovy PrEP utilizers

MTR Users	Shift Percentage	Additional Costs for STR	Additional GF-S Costs for STR
3746	10%	\$4,753,981	\$998,341
3746	15%	\$7,130,971	\$1,497,511
3746	20%	\$9,507,962	\$1,996,681
3746	25%	\$11,884,952	\$2,495,852
3746	30%	\$14,261,943	\$2,995,022
3746	35%	\$16,638,933	\$3,494,192
3746	40%	\$19,015,924	\$3,993,363
3746	45%	\$21,392,914	\$4,492,533
3746	50%	\$23,769,904	\$4,991,704
3746	55%	\$26,146,895	\$5,490,874
3746	60%	\$28,523,885	\$5,990,044
3746	65%	\$30,900,876	\$6,489,215
3746	70%	\$33,277,866	\$6,988,385
3746	75%	\$35,654,857	\$7,487,555
3746	80%	\$38,031,847	\$7,986,726
3746	85%	\$40,408,838	\$8,485,896
3746	90%	\$42,785,828	\$8,985,066
3746	95%	\$45,162,818	\$9,484,237
3746	100%	\$47,539,809	\$9,983,407

Truvada PrEP utilizers switching to Descovy.

MTR Users	Shift Percentage	Additional Costs for STR	Additional GF-S Costs for STR
1762	10%	\$1,325,415	\$278,339
1762	15%	\$1,988,123	\$417,508
1762	20%	\$2,650,831	\$556,677
1762	25%	\$3,313,538	\$695,846
1762	30%	\$3,976,246	\$835,016
1762	35%	\$4,638,954	\$974,185
1762	40%	\$5,301,662	\$1,113,354
1762	45%	\$5,964,369	\$1,252,523
1762	50%	\$6,627,077	\$1,391,693
1762	55%	\$7,289,785	\$1,530,862
1762	60%	\$7,952,492	\$1,670,031
1762	65%	\$8,615,200	\$1,809,201
1762	70%	\$9,277,908	\$1,948,370
1762	75%	\$9,940,615	\$2,087,539
1762	80%	\$10,603,323	\$2,226,708
1762	85%	\$11,266,031	\$2,365,878
1762	90%	\$11,928,738	\$2,505,047
1762	95%	\$12,591,446	\$2,644,216
1762	100%	\$13,254,154	\$2,783,385

	Average Annual Cost
STR	\$22,917
MTR	\$9,991

	Average Annual Cost
Descovy	\$12,224
Truvada	\$6,457

FFS cost overall

MTR Users	Shift Percentage	Additional Costs for STR	Additional GF-S Costs for STR
230	10%	\$252,910	\$95,524
230	15%	\$379,364	\$143,286
230	20%	\$505,819	\$191,048
230	25%	\$632,274	\$238,809
230	30%	\$758,729	\$286,571
230	35%	\$885,184	\$334,333
230	40%	\$1,011,638	\$382,095
230	45%	\$1,138,093	\$429,857
230	50%	\$1,264,548	\$477,619
230	55%	\$1,391,003	\$525,381
230	60%	\$1,517,457	\$573,143
230	65%	\$1,643,912	\$620,904
230	70%	\$1,770,367	\$668,666
230	75%	\$1,896,822	\$716,428
230	80%	\$2,023,277	\$764,190
230	85%	\$2,149,731	\$811,952
230	90%	\$2,276,186	\$859,714
230	95%	\$2,402,641	\$907,476
230	100%	\$2,529,096	\$955,238

MTR Utilizer switching to STR
Excludes Truvada and Descovy PrEP utilizers

MTR Users	Shift Percentage	Additional Costs for STR	Additional GF-S Costs for STR
168	10%	\$217,151	\$82,018
168	15%	\$325,726	\$123,026
168	20%	\$434,301	\$164,035
168	25%	\$542,877	\$205,044
168	30%	\$651,452	\$246,053
168	35%	\$760,027	\$287,062
168	40%	\$868,603	\$328,071
168	45%	\$977,178	\$369,079
168	50%	\$1,085,753	\$410,088
168	55%	\$1,194,329	\$451,097
168	60%	\$1,302,904	\$492,106
168	65%	\$1,411,479	\$533,115
168	70%	\$1,520,055	\$574,124
168	75%	\$1,628,630	\$615,132
168	80%	\$1,737,205	\$656,141
168	85%	\$1,845,781	\$697,150
168	90%	\$1,954,356	\$738,159
168	95%	\$2,062,931	\$779,168
168	100%	\$2,171,507	\$820,176

Truvada PrEP utilizers switching to Descovy.

MTR Users	Shift Percentage	Additional Costs for STR	Additional GF-S Costs for STR
62	10%	\$35,759	\$13,506
62	15%	\$53,638	\$20,259
62	20%	\$71,518	\$27,012
62	25%	\$89,397	\$33,765
62	30%	\$107,277	\$40,518
62	35%	\$125,156	\$47,271
62	40%	\$143,036	\$54,024
62	45%	\$160,915	\$60,777
62	50%	\$178,794	\$67,531
62	55%	\$196,674	\$74,284
62	60%	\$214,553	\$81,037
62	65%	\$232,433	\$87,790
62	70%	\$250,312	\$94,543
62	75%	\$268,192	\$101,296
62	80%	\$286,071	\$108,049
62	85%	\$303,951	\$114,802
62	90%	\$321,830	\$121,555
62	95%	\$339,709	\$128,308
62	100%	\$357,589	\$135,061

Requested Information

What would the fiscal impact be for a policy change that would remove the prior approval requirement from Anti-Retroviral Drugs used for treating and preventing Human Immunodeficiency Virus (HIV) infections for Medicaid eligible persons, which would encourage clients to switch from lower cost Multiple Tablet Regimens (MTR) to higher cost Single Tablet Regimens (STR)?

Note:

The exact percentage of people that would switch to STRs from MTRs is not known as those choices are made between a patient and their physician. The analysis assumes that at least 10 percent of utilizers for would switch to STRs.

Methodology

Data Source

The data used in this analysis was extracted from the ProviderOne Operations Data Store on 3/12/2021 using the following criteria.

1. Claim business status: 71 Fee-For-Service (FFS) paid, and 83 Managed Care (MC) accepted.
2. Claim type equal 24 (pharmacy)
3. Dates of Service are between 1/1/2019 and 12/31/2019.

Analytical approach

The summary model to the right is based on a list HIV Drugs and their associated treatment regimen types. The details on the label names for the drugs and their assigned treatment regimen types are listed on the "Drug_Rgmn_Type" tab. Multi Tablet Regimen (MTR) and Single Tablet Regimen (STR) groups were provided by HCA CQCT. Note, not all Anti-Retroviral HIV treatments were included. Drugs that had no utilization or very low utilization were excluded.

1. The analysis includes the impact from claims where the drugs were federal rebate eligible drugs and those that were non-federal rebate eligible. Non-federal rebate eligible drugs were those that either did not participate in rebate program or the prescription was filled at a pharmacy that did not qualify for a federal rebate. (e.g., 340B program pharmacies)
 - a. Note, drugs that had TPL coverage were excluded. HCA policy does not directly impact the cost of these prescriptions or how much the TPL provider will cover.
2. The impact is the sum of two pieces:
 - a. The expected increase from clients not using Truvada or Descovy for PrEP (pre-exposure prophylaxis), switching from an MTR regimen to a STR regimen.
 - i. The count of unique MTR utilizers that did not also receive an STR drug during the year and did not receive Truvada or Descovy was determined using claims data.
 - b. The expected increase from clients strictly using Truvada for PrEP, switching to Descovy.
 - i. The count of unique Truvada PrEP utilizers was based on those people that were utilizing on Truvada with no other HIV treatments by CQCT. This is a high-level estimate; not an attempt to clinically define the purpose of the treatment.
3. For the purposes of this analysis the average annual cost was based on the annual cost per drug, weighted by days supplied. The annual cost for each drug was estimated using the average cost per day times 365 days. The costs were net of invoiced rebate amounts.
 - a. For Truvada and Descovy, only the costs associated with treatment, not PrEP, were included in the MTR average cost calculations. The split between use of these drugs for PrEP versus for treatment was based on data from CQCT's original modeling.
4. The FFS FMAPs were based on the allocation codes associated with the claims, and the MC FMAPs were estimated based on the most prevalent allocation code associated with the client Recipient Aid Category in

allocation code associated with the client Recipient Aid Categories in reported encounters. The percentages are from State Fiscal year 2022.

5. The average annual cost varies materially between FFS and MC. The key driver was the drug utilization pattern. FFS has a small population with a higher prevalence of lower cost drug utilization.