

# HIV antivirals

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## Annual report

Engrossed Substitute Senate Bill 5187; Section 211(46); Chapter 475; Laws of 2023

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## Executive summary

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This is the first annual report submitted by the Health Care Authority to the fiscal committees of the Washington State Legislature as directed in Engrossed Substitute Senate Bill 5187; Section 211(46); Chapter 475; Laws of 2023. This report describes the actual and projected utilization, expenditures, and percentages of Apple Health (Medicaid) clients who start or switch to a new human immunodeficiency virus (HIV) treatment or pre-exposure prophylaxis (PrEP) drug since removing prior authorization (PA).

"...beginning January 1, 2023, upon initiation or renewal of a contract with the authority to administer a Medicaid managed care plan, a managed health care system shall provide coverage without prior authorization for all federal food and drug administration approved HIV antiviral drugs. By December 1, 2023, and December 1, 2024, the authority must submit to the fiscal committees of the legislature the projected and actual expenditures and percentage of Medicaid clients who switch to a new drug class without prior authorization..."

Apple Health fee-for-service and managed care plans cover all drugs used for HIV treatment or PrEP without authorization as of January 1, 2023. This report includes historical data from 2018 through 2022 and six months of data (January 2023 through June 2023) after prior authorization removal. A full reporting year after covering all HIV drugs without prior authorization will not be available until later in 2024.

Analysis of the data from January 2023 through June 2023 shows:

- Overall, Apple Health's population has grown; however, the population of clients using HIV drugs has decreased.
- In 2023, the average net daily cost for multi-tablet-regimens (MTR) is \$33.71 versus \$72.34 for single-tablet-regimens (STR).
- Existing clients are switching from MTR to STR more frequently, with the percentage of switches increasing from 51.6 percent in 2022 to 77.2 percent, whereas the number of clients switching from STR to MTR has decreased from 48.4 percent in 2022 to 22.8 percent.
- New starts initiating treatment with STR appear to have increased from 35.2 percent in 2022 to 50.8 percent in 2023.
- Outcomes data from 2021 shows that between 78 percent and 84 percent of Apple Health clients with a prescription claim for HIV treatment are virally suppressed.

From the six months of cost and utilization data observed in 2023 following the policy change, we found that more Apple Health clients are utilizing STRs instead of MTRs. The STRs are a little more than double the cost per day of MTRs. The annualized costs in 2023 are forecasted to be 4.3 percent more than in 2022.

## Background

Drugs used to treat HIV or PrEP were added to the AHPDL in January 2018. In August of 2020, with data reflecting a shift from lower cost therapies to more expensive therapies, the Health Care Authority (HCA) applied a clinical policy to guide patients and providers to less costly, equally effective treatments. Patients or providers could request prior authorization for the requested drug and provide documentation of why an equally effective, less costly regimen was inappropriate.

Federal agencies charged with addressing the HIV epidemic recommend that states minimize barriers and include all HIV treatment regimens on their preferred drug lists, including but not limited to single-tablet regimens. In adherence with ESSB 5187 Section 211(46), effective January 1, 2023, HCA changed the Apple Health Preferred Drug List (PDL) to ensure that all drugs used for HIV or PrEP were covered without prior authorization.

## Findings

HCA pulled pharmacy claims data from 2018 through June 2023. The HIV Summary Data in Table 1 shows the utilization of HIV medications in the Apple Health population from 2018 through mid-2023 and forecast to 2025. The modeling for the remainder of 2023 through 2025 uses annualized pharmacy claims data from 2022 and an assumption of flat costs per client per month for future years. Table 2 presents this information as a percentage change from the prior year.

**Table 1: HIV summary data**

The table shows actual and forecasted annual expenditures and utilization for HIV drugs starting in 2018.

Calendar Year	Paid Amount (millions)	Paid Amount Net of Rebates (millions)	Distinct HIV Client Count	Client Months	Net Cost Per Client Per Month (PCPM)	Utilization Rate	Utilizers Per 100,000	Total Number of Clients
2018	\$101.59	\$65.57	5,772	36,770	\$1,783.51	0.32%	315.24	1,830,966
2019	\$105.34	\$69.03	5,954	37,046	\$1,863.54	0.33%	331.51	1,796,049
2020	\$117.88	\$75.75	6,099	40,618	\$1,864.92	0.33%	325.44	1,874,078
2021	\$118.05	\$83.73	6,813	44,469	\$1,881.60	0.33%	331.00	2,058,326
2022	\$119.99	\$87.70	7,468	46,286	\$1,894.80	0.34%	340.37	2,194,086
2023*	\$64.49	\$45.85	6,481	24,301	N/A	0.29%	287.87	2,251,327
Projected Costs and Utilization for 2023 to 2025								
2023**	\$128.61	\$91.43	8,106	50,239	\$1,819.84	0.39%	387.37	2,092,513

<b>2024***</b>	\$108.45	\$77.10	6,835	42,365	\$1,819.84	0.39%	387.37	1,764,541
<b>2025***</b>	\$107.00	\$76.07	6,744	41,800	\$1,819.84	0.39%	387.37	1,741,016

\*Actual amounts for the first half of CY 2023.

\*\*CY2023 Paid Amount and Distinct HIV Client Count were projected using corresponding half-year vs. full-year ratios from CY2022. CY2023 Total Number of Clients was obtained from the February 2023 Medical Assistance Expenditure Forecast.

\*\*\* Utilization Rate (utilizers / total number of clients) for CY2024 & 2025 was held constant at the projected CY2023 level.

## Table 2: Percent change in HIV summary data

This table shows the percent change between years for Table 1.

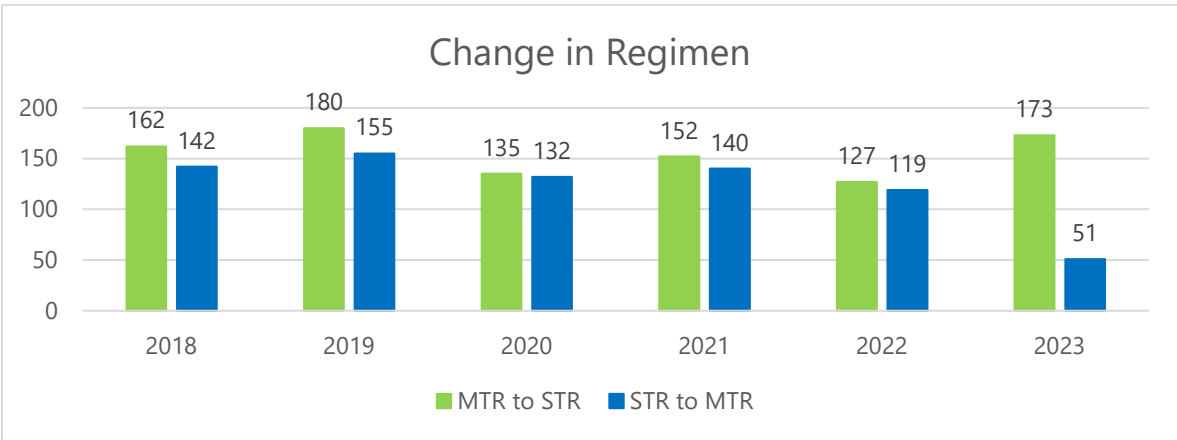
Calendar Year	Change in Paid Amount	Change in Paid Amount Net of Rebates	Change in Distinct HIV Client Count	Change in Client Months	Change in Net Cost Per Client Per Month (PCPM)	Change in Utilization Rate	Change in Utilizers Per 100,000	Change in Total Number of Client
2018 to 2019	3.7%	5.3%	3.2%	0.8%	4.5%	3.1%	5.2%	-1.9%
2019 to 2020	11.9%	9.7%	2.4%	9.6%	0.1%	0.0%	-1.8%	4.3%
2020 to 2021	0.1%	10.5%	11.7%	9.5%	0.9%	0.0%	1.7%	9.8%
2021 to 2022	1.6%	4.7%	9.6%	4.1%	0.7%	3.0%	2.8%	6.6%
2022 to 2023**	7.2%	4.3%	8.5%	8.5%	-0.4%	14.7%	13.8%	-4.6%
2023 to 2024***	-15.7%	-15.7%	-15.7%	-15.7%	0.0%	0.0%	0.0%	-15.7%
2024 to 2025***	-1.3%	-1.3%	-1.3%	-1.3%	0.0%	0.0%	0.0%	-1.3%

From the pharmacy claims analysis, HCA reviewed clients who were using multi-tablet-regimens (MTR) and single-tablet-regimens (STR). In 2023, the average cost per day for a client on an MTR was \$33.71 whereas the average cost per day for a client on STR was \$72.34, a 115 percent increase over the cost of MTR regimens. The shift of clients who from MTR to STR and new starts on STR could help explain the rising costs observed from 2018 to 2023.

To examine this trend further, HCA reviewed the different types of regimens clients used over this period. The graphs below show more detail about which types of drug regimens Apple Health clients used through the first half of 2023. Graph 1 is specific to patients on existing therapies switching from MTR to STR or from STR to MTR. Graph 2 is specific to patients who were new to HIV medications and whether they started with an MTR or an STR.

**Graph 1: HIV analysis of switching between regimens**

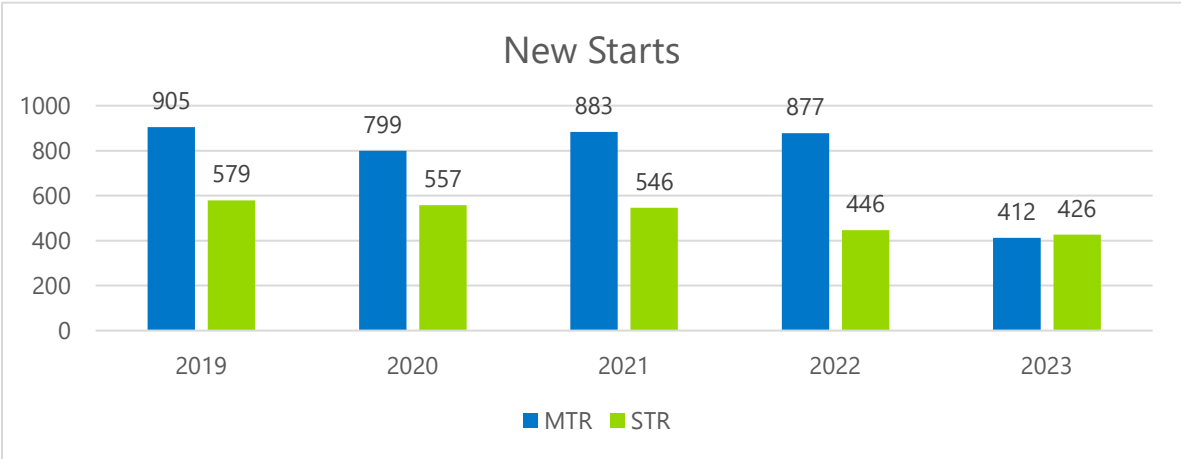
This graph shows the number of distinct clients who switched from multi-tablet-regimens (MTR) to single-tablet-regimens (STR) or from STR to MTR starting in 2018.



Special note: 2023 reflects data for the first half of CY only.

Graph 2: HIV analysis of new starts

This graph shows the annual count of new starts who initiated treatment on multi-tablet-regimens (MTR) or single-tablet-regimens (STR) starting in 2019 and comparing to 2018 distinct client utilization.

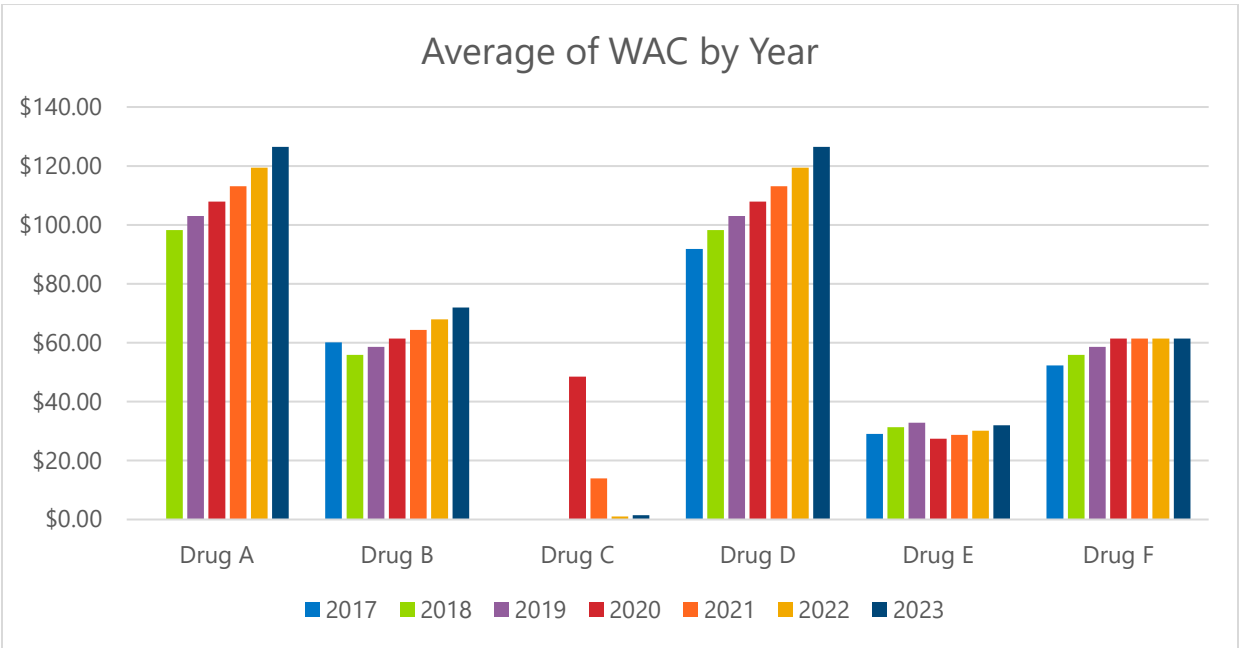


Special note: 2023 reflects data for the first half of CY only.

From these graphs, we see a change in the pattern of how patients are switching and starting HIV regimens. From Graph 1, we see that of patients switching their HIV regimens, 77.2 percent are switching from MTR to STR in 2023 compared to 51.6 percent in 2022. Graph 2 shows the number of new starts for STR is 50.8 percent compared to 35.2 percent in 2022.

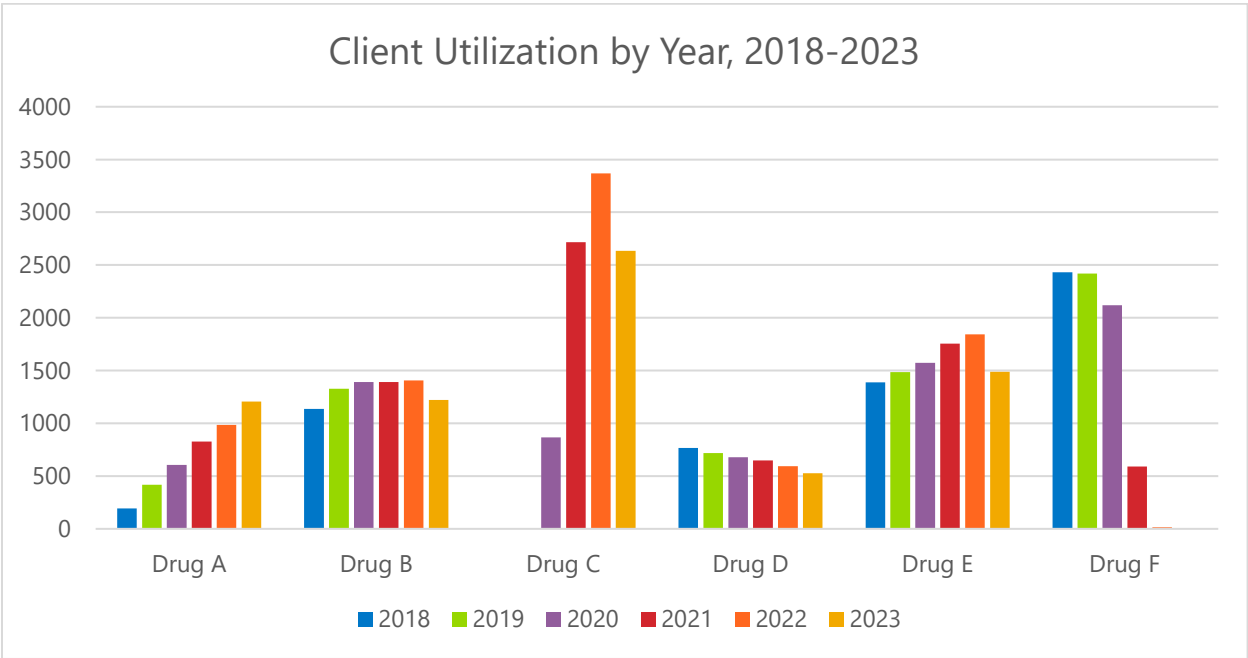
Graph 3: Average of WAC by year

This graph shows the average Wholesale Acquisition Cost (WAC) for HIV medications included in last year’s report. The average WAC of top utilized single-source brands continues to increase each year.



**Graph 4: Comparison of growth rate from previous year**

This graph shows the annual change in utilization of top utilized HIV drugs. From this graph, we can see the utilization shift from brand drug F to generic drug C in 2020 when the first generic was marketed in the United States. The generic, which has the lowest average unit cost as shown in Graph 3, did not have much impact on the other brand-name HIV drugs, which mostly saw steady growth during this time period. The biggest growth rate in this period was Drug A, which grew 624 percent, from 193 clients in 2018 to 1,205 clients in the first half of 2023.

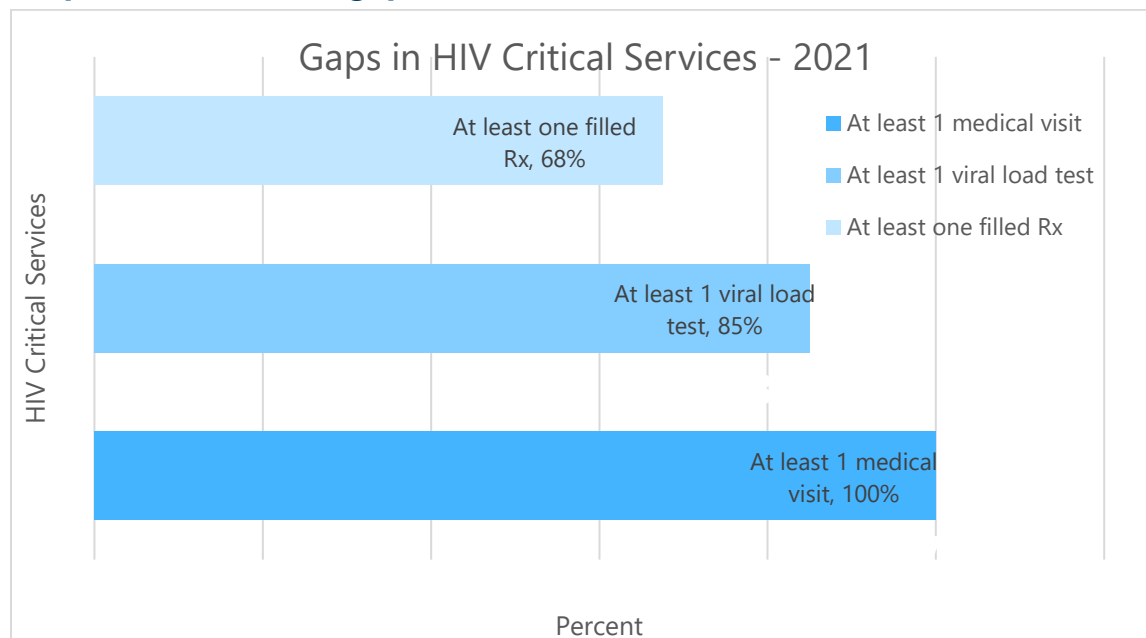


In addition to pharmacy claims data, HCA analyzed health outcomes data available to the agency from the Department of Health (DOH). The below graphs show performance gaps in HIV critical services as of 2021 and viral suppression levels by drug regimen as reported by DOH in 2022.



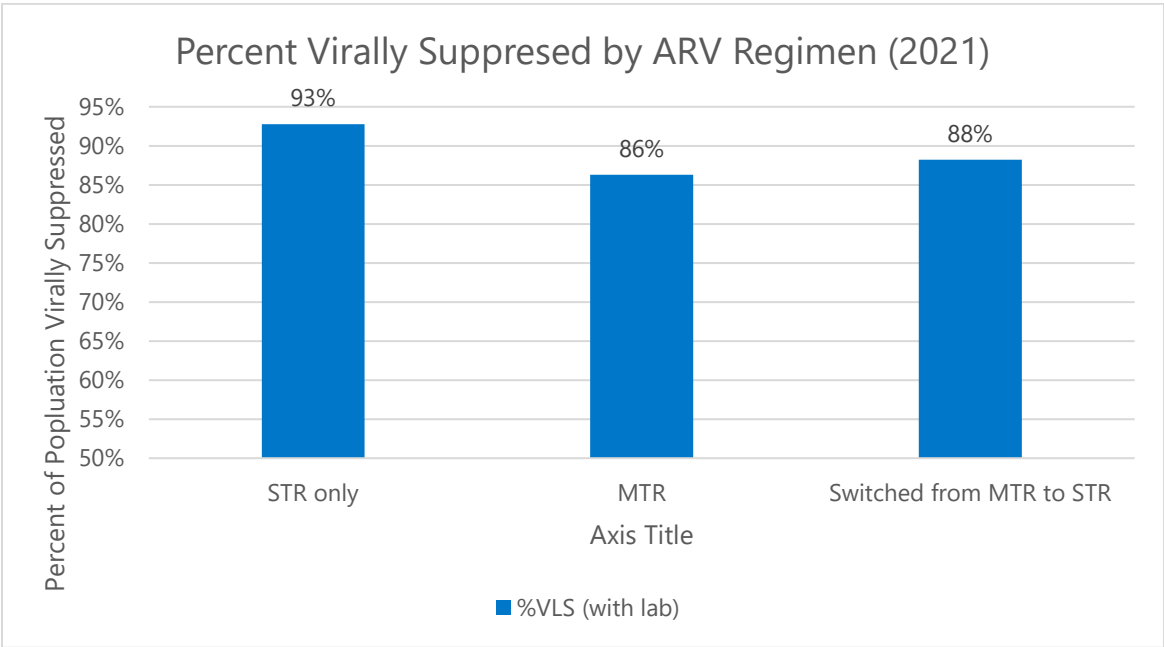
Graph 5 shows three key metrics in HIV treatment in 2021. HCA identified 5697 clients diagnosed with HIV who had at least one doctor visit in 2021. Of these clients, 15 percent did not have a viral load measurement despite professional guidelines and best practices recommending viral load checks roughly once every six months. Of the 5697 clients with HIV, 32 percent are not filling prescriptions for HIV through Apple Health. Patients who are Ryan White supplement recipients or who are dual eligibles (meaning the client has both Medicare and Medicaid) may choose not to fill prescriptions through Apple Health, so the actual number of clients with HIV in Apple Health who are taking prescriptions for HIV may be higher than observed.

**Graph 5: Performance gaps in HIV critical services in 2021**



Graph 6 shows viral suppression levels broken out by single tablet or multi-tablet drug regimens in calendar year 2021. This graph only looks at the subset of clients identified above who are diagnosed with HIV, have at least 1 prescription drug claim in 2021, and at least one viral load test. Of these 3,848 clients included in this analysis only 85 percent of clients had a viral load test in 2021. Of clients who received at least 1 viral load test during the year, 86 percent (MTR) and 93 percent (STR) are virally suppressed. This data does not reflect changes associated with the policy change to remove prior authorization from HIV medications that took effect on January 1, 2023. HCA will work with the Department of Health to continue to monitor HIV suppression rates.

**Graph 6: Viral suppression levels by drug regimen in 2021**



## Conclusion

With only six months of data since removing the clinical policy (prior authorization) requirement, the fiscal impact shows that Apple Health clients are switching from MTR to STR or starting with STR. Cost per day between these regimens could help explain the rising costs in this class from 2018 to 2023.

After seeing steady increases in Apple Health clients with HIV receiving treatments from 2018 to 2022, HIV drug utilization decreased in 2023. This change in the number of clients treated or the utilization of drugs may reflect changing populations in Apple Health or other issues in how patients receive care for HIV prevention or treatment.

The 2024 report will include 18 months of data since the change in prior authorization status. Future reports are expected to provide more data on how HIV medication use is changing in Apple Health.