

# HIV antivirals: Annual report

Engrossed Substitute Senate Bill 5693; Section 211(108); Chapter 297; Laws of 2022

December 1, 2022

## Legislative summary

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Beginning January 1, 2023, the Health Care Authority (HCA) and the contracted managed care organizations (MCO) will provide coverage for all federal Food and Drug Administration (FDA) approved Human Immunodeficiency Virus (HIV) antiviral drugs without prior authorization. HCA will submit to the fiscal committees of the legislature the projected and actual expenditures and percentage of Apple Health (Medicaid) clients who switch to a new drug without prior authorization. This initial report digest will establish a baseline for comparing future reports.

## Background

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Drugs used to treat HIV or Pep/PrEP were added to the Apple Health Preferred Drug List (AHPDL) in January 2018. Biktarvy (bictegravir, emtricitabine & tenofovir alafenamide) and Descovy (emtricitabine & tenofovir alafenamide), are two of the top utilized drugs in this class with different statuses (Biktarvy non-preferred requiring a trial of two preferred drugs and Descovy preferred) both showing above average increases in utilization. Between 2018 and 2019, utilization for Biktarvy increased 116%, Descovy increased 17%, yet the overall increase in unique users showed a 3% increase. Between 2019 and 2020 Biktarvy's utilization increased 45%, Descovy increased 4%, yet the overall increase in unique users showed a 2% increase (see HIV Analysis 2 - Phase 1). In August of 2020, with data reflecting a shift from lower cost therapies to more expensive therapies, HCA applied a clinical policy (a prior authorization review of medical necessity for the requested drug and documentation of why an equally effective less costly regimen is not appropriate).

In 2021, the rate of increase in Biktarvy utilization fell from 45% to 37% and the rate of increase of Descovy utilization fell from 4% to 0%. This reduction in the rate of increase is reflective of the clinical policy. Without the policy, utilization for Biktarvy and Descovy would likely have grown at an even faster rate. ESSB 5693 (C 297 L 22), Sec. 211(108), requires the Health Care Authority (HCA) to: (1) provide coverage for all FDA-approved HIV antiviral drugs without prior authorization beginning 1/1/2023 including directing the Apple Health Managed Care plans to replicate this action. Both the Apple Health fee-for-service and the managed care plans will no longer apply the clinical policy or have a prior authorization requirement beginning in January 2023. Based on the due date of the annual report, a full reporting year with removal of prior authorization will not be available until 2024.

## Key findings

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HCA intends to use this report digest to establish baseline data reflective of utilization prior to applying prior authorization, 2018 and 2019, as well as utilization during the period prior authorization was required, 2020 – 2022. The data for 2022 is incomplete but will be included in the next annual report. This

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report summarizes the costs and utilization of HIV drugs, including the distinct number of clients, the number of months clients used these drugs by year, and the number of clients using HIV drugs per 100,000 Apple Health clients.

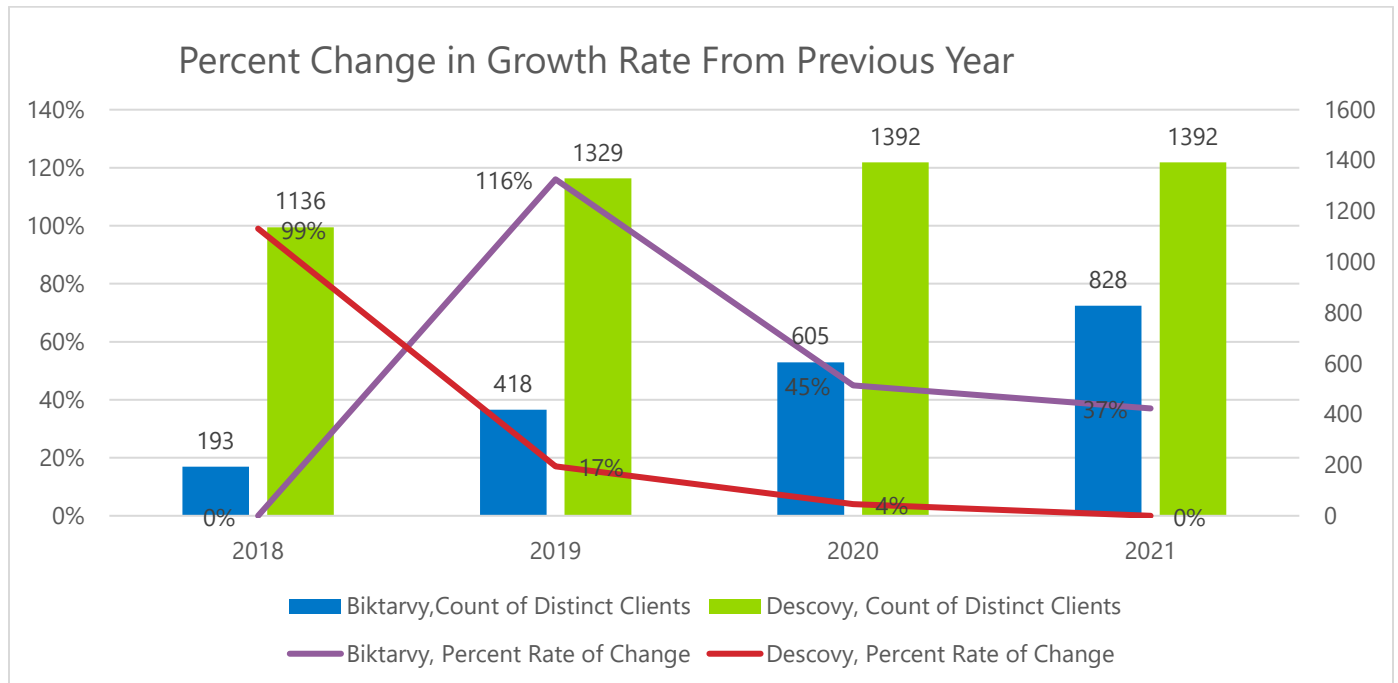
## HIV Analysis 1 - Phase 1 Summary Data

This table shows annual expenditures and utilization for Pep/PrEP and treatment 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	\$4.58	0.31%	312.44	1,847,366
2019	\$105.34	\$69.03	5,954	37,046	\$4.85	0.33%	328.98	1,809,855
2020	\$117.88	\$75.75	6,099	40,618	\$5.44	0.34%	337.82	1,805,414
2021	\$118.05	\$83.73	6,813	44,469	\$4.98	0.35%	345.02	1,974,697

## HIV Analysis 2 - Phase 1 Comparison of Growth Rate from Previous Year

This graph shows that the rate of growth in utilization of Biktarvy and Descovy prior to HCA implementing the clinical policies (August 2020), was much higher than the rate of growth in utilization after implementing the policies.

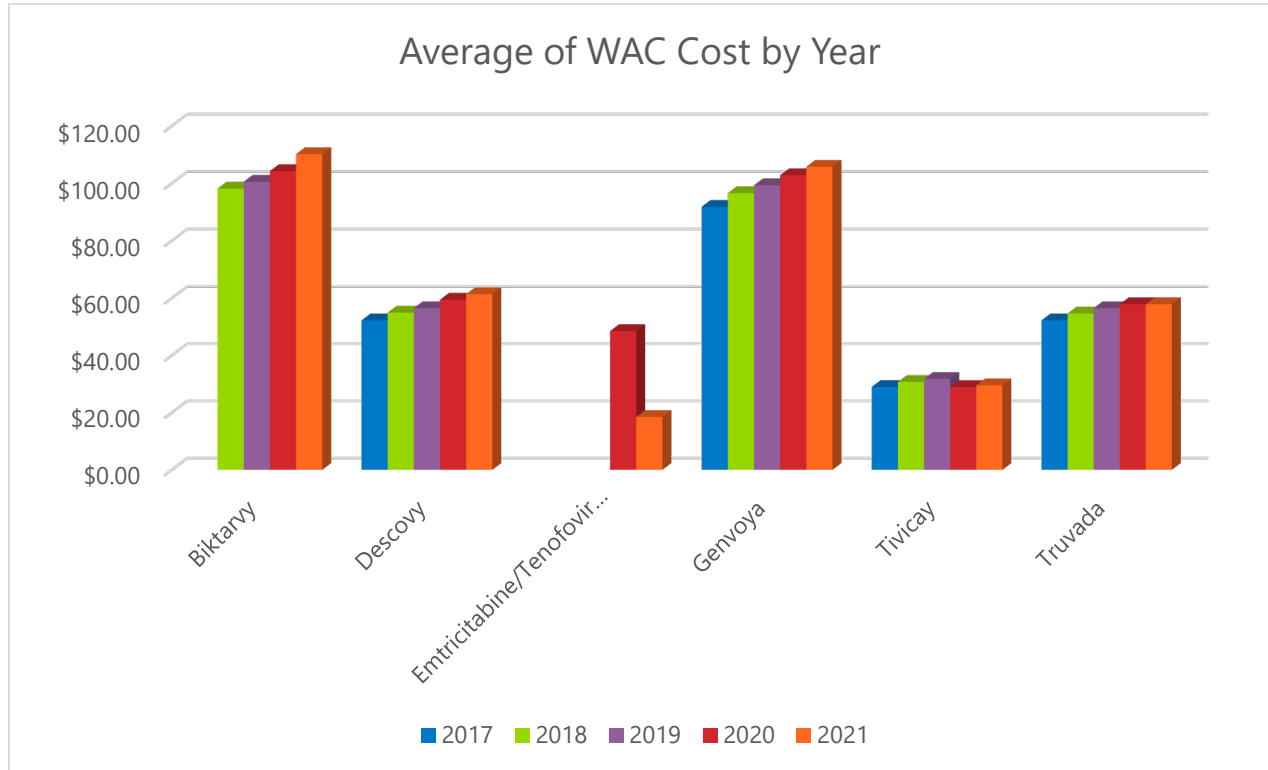


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## HIV Analysis 3 - Phase 1 Average of WAC Cost by Year

This graph shows the average of the Wholesale Acquisition Cost (WAC) for HIV medications with the highest expenditures in 2021. The graph shows the unit cost increasing each year.



## Expectations

The data analyses above show the general trend of costs and utilization for HIV drugs in Apple Health from 2018 to 2021. The clinical policies implemented in August 2020 helped reduce the growth in utilization for non-preferred drugs. Without the clinical policy there are limited options available to manage this drug class to having clients start on the least costly equally effective drug. Based on RCW 69.41.190 (3) ..." refills for antiretrovirals shall be allowed for the drug when the client is established" meaning, clients will be continued on the higher cost drug once established. With the unit price for single-source drugs continuing to increase each year (except when a generic product becomes available) HCA projects an increase in utilization and expenditures. Over the next reporting period HCA will provide additional measures reflecting the movement between drugs.

## Next steps

HCA will continue to refine the data model to show projected expenditures and percentage of Apple Health clients who switch to a new drug class. The model will include utilization projections for the next three years.