



**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: House Health Care Committee  
From: Stephanie Barrett  
Date: January 21, 2016  
Subject: Orkambi - cost estimate summary

The FY17 Medicaid budget includes an estimated increased cost of \$6.625m in Global Commitment funds of which \$3m is the state share for the new cystic fibrosis treatment Orkambi.

The drug cost is \$259k for a patient for a year and the anticipated rebate is approximately 23% bring the net cost down to \$200k.

Of the 122 CF patients in the Medicaid caseload the estimate is that 40 patients will be candidates for Orkambi. This is because Orkambi is only for patients over 12 years old and is for a specific gene that is found in roughly 43% of CF patients.

Of the 40 Vermont Medicaid patients, 24 of them are expected to be full coverage, while 16 of them are expected to partial or secondary coverage either because they are dual eligible for Medicare or their Medicaid wraps commercial coverage.

The estimate in the BAA is \$3m GCF of which \$1.35m is state funds. This reflects the roll out over time of the new drug for the anticipated eligible patients since August 2015 and several months of lag time for rebates to come in.