



Medicaid Prescription Drug Costs and Trends

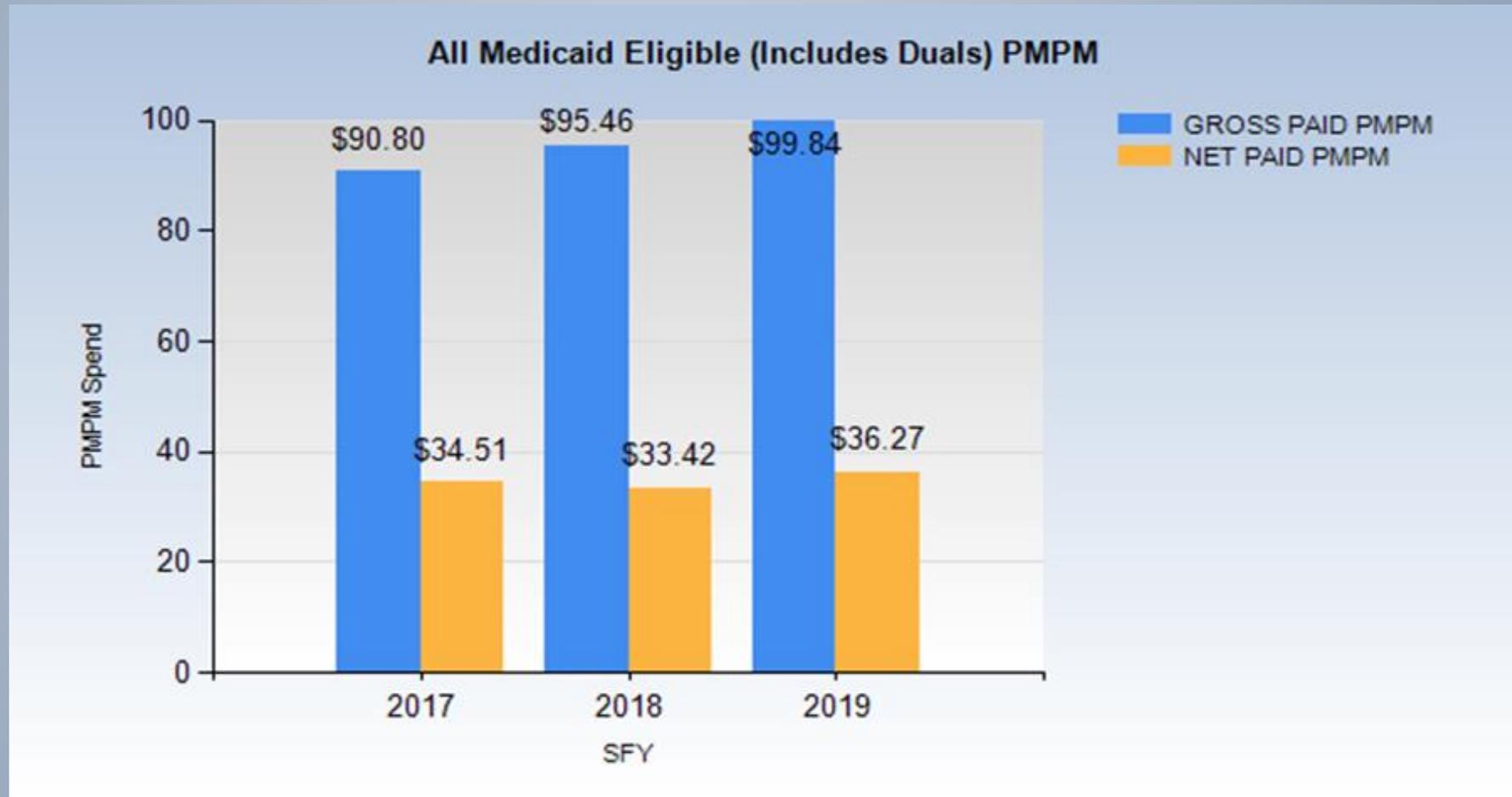
Department of Vermont Health Access

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Drug Spend 3-Yr Trend

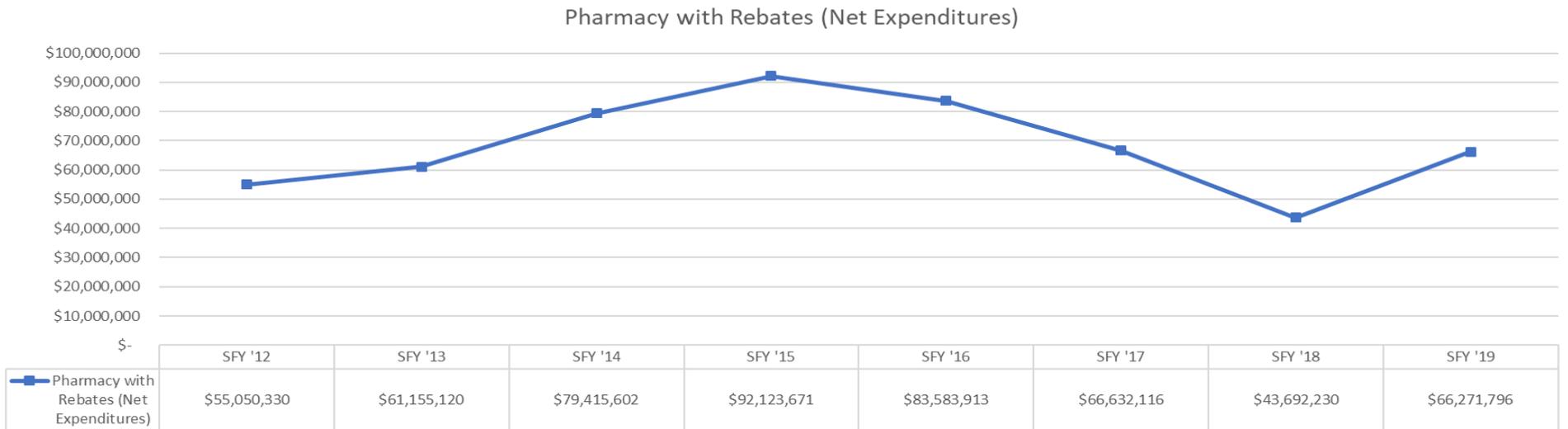
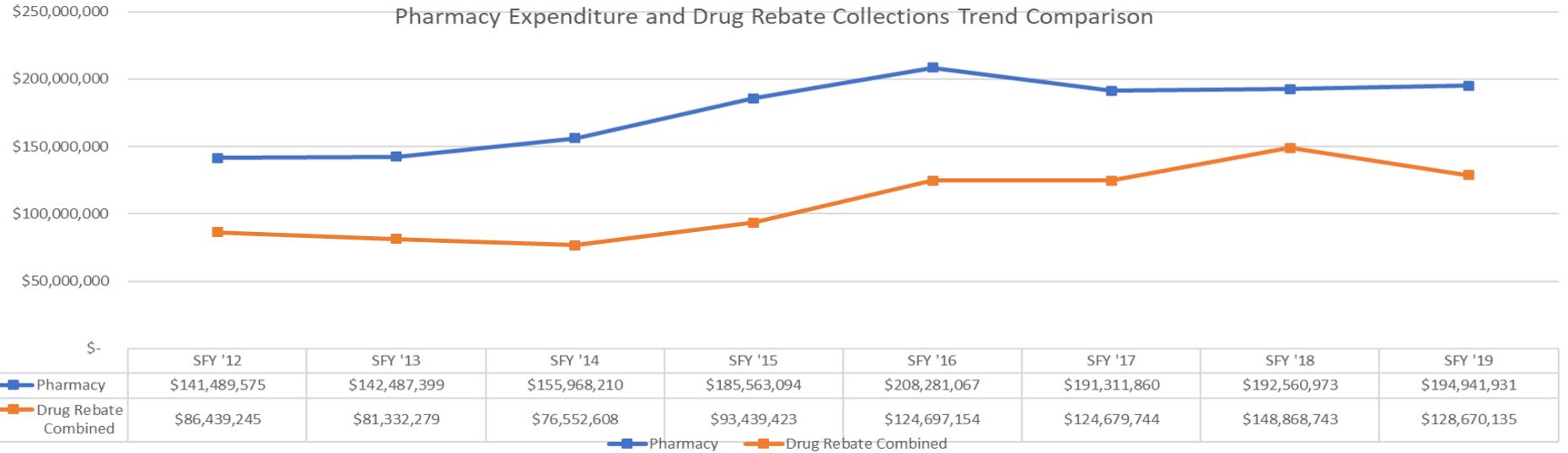
SFY	CLAIMS PAID	% Change	GROSS AMOUNT PAID	% Change	GROSS COST PER CLAIM	% Change	NET AMOUNT PAID	% Change	NET COST PER CLAIM	% Change
ALL PHARMACY CLAIMS										
3-year trend				2.1%	7.3%		-1.5%		3.6%	
2019	2,010,107	-2.77%	\$ 198,783,933	0.82%	\$98.89	3.69%	\$ 71,799,969	4.74%	\$35.72	7.72%
2018	2,067,382	-2.22%	\$ 197,174,623	1.32%	\$95.37	3.62%	\$ 68,552,038	-6.28%	\$33.16	-4.16%
2017	2,114,280		\$ 194,600,997		\$92.04		\$ 73,147,304		\$34.60	
MEDICAID CLAIMS (includes Duals)										
3-year trend				2.5%	6.4%		-1.7%		2.2%	
2019	1,693,497	-2.35%	\$ 193,198,884	0.99%	\$114.08	3.42%	\$ 70,194,490	4.79%	\$41.45	7.31%
2018	1,734,254	-1.41%	\$ 191,311,440	1.52%	\$110.31	2.97%	\$ 66,984,199	-6.47%	\$38.62	-5.13%
2017	1,759,012		\$ 188,448,212		\$107.13		\$ 71,617,246		\$40.71	

Gross and Net PMPM



(Medicaid and Duals)

Medicaid Drug Spend-Gross and Net



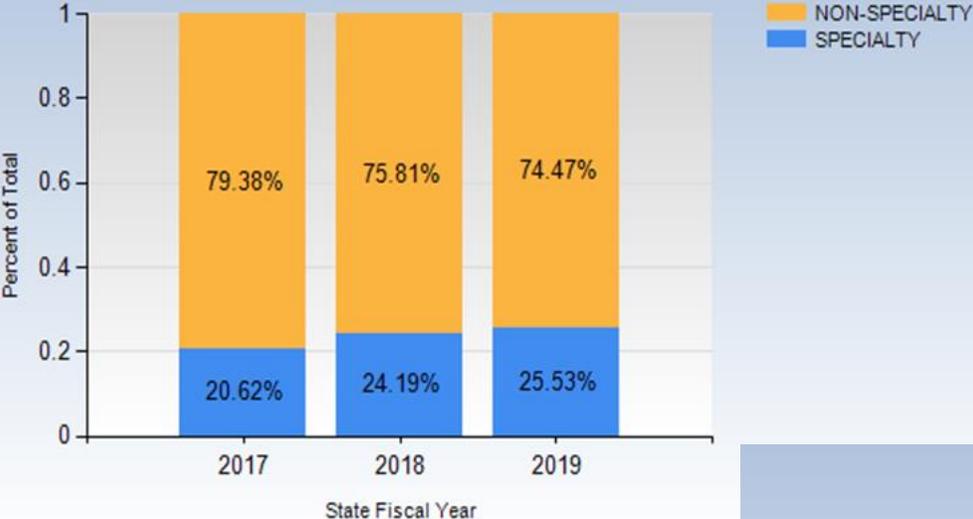
Top Therapeutic Classes by Spend

Therapeutic Class/Treatment Category	2018 Gross Paid	2019 Gross Paid	2018 Claim Count	2019 Claim Count	Total Amount Paid Change	Claim Count Change
Opioid Partial Agonists/Substance Use Treatments	\$14,060,327.98	\$16,379,462.54	125,547	134,425	16.49%	7.07%
Insulin	\$11,838,049.18	\$11,769,343.54	15,512	14,344	-0.58%	-7.53%
Hepatitis Agents	\$12,006,594.10	\$11,648,986.09	877	866	-2.98%	-1.25%
Stimulants - Misc. ADHD	\$10,558,556.36	\$11,141,916.52	49,854	49,545	5.52%	-0.62%
Sympathomimetics-Asthma/COPD	\$10,191,297.89	\$10,112,483.26	65,748	64,062	-0.77%	-2.56%
ANTI-TNF-ALPHA - Monoclonal Antibodies - Rheumatoid Arthritis, UC, Crohn's	\$9,174,851.15	\$9,806,107.95	1,737	1,707	6.88%	-1.73%
Amphetamines- ADHD	\$11,645,403.64	\$9,000,804.02	55,244	55,851	-22.71%	1.10%
Anticonvulsants - MISC.	\$7,101,943.51	\$7,559,343.31	68,919	69,350	6.44%	0.63%
Cystic Fibrosis Agents	\$4,735,130.36	\$5,468,797.13	561	613	15.49%	9.27%
Antiretrovirals – HIV Tx	\$5,140,765.56	\$5,339,306.93	2,627	2,373	3.86%	-9.67%

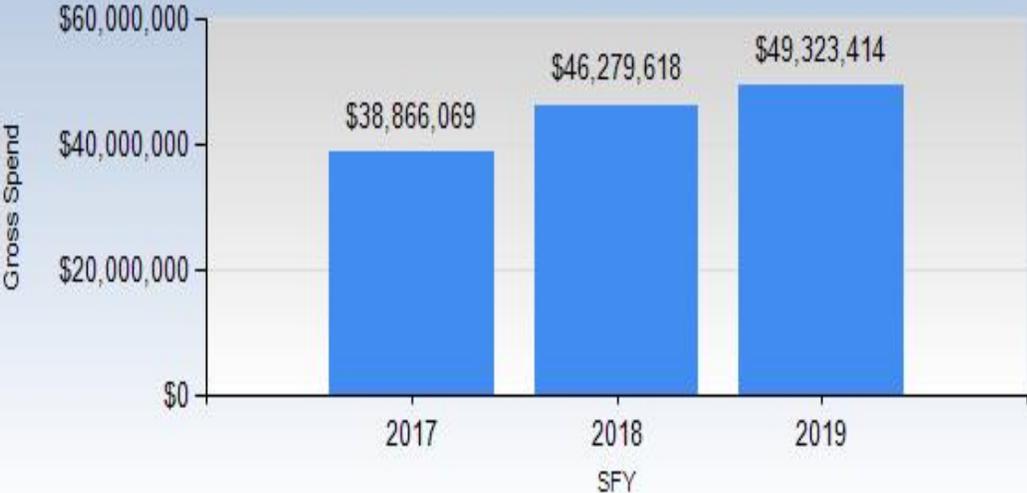
Specialty Drugs Percent of Drug Spend



Specialty as a Percentage of Total Drug Costs



Specialty Gross Paid



Specialty vs Non-Specialty Drugs



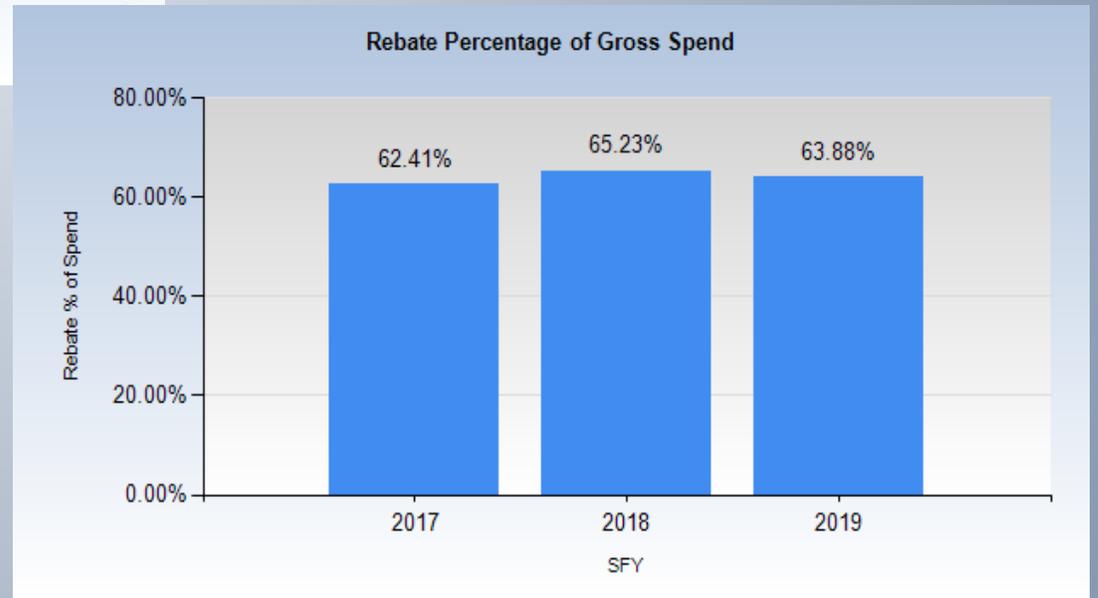
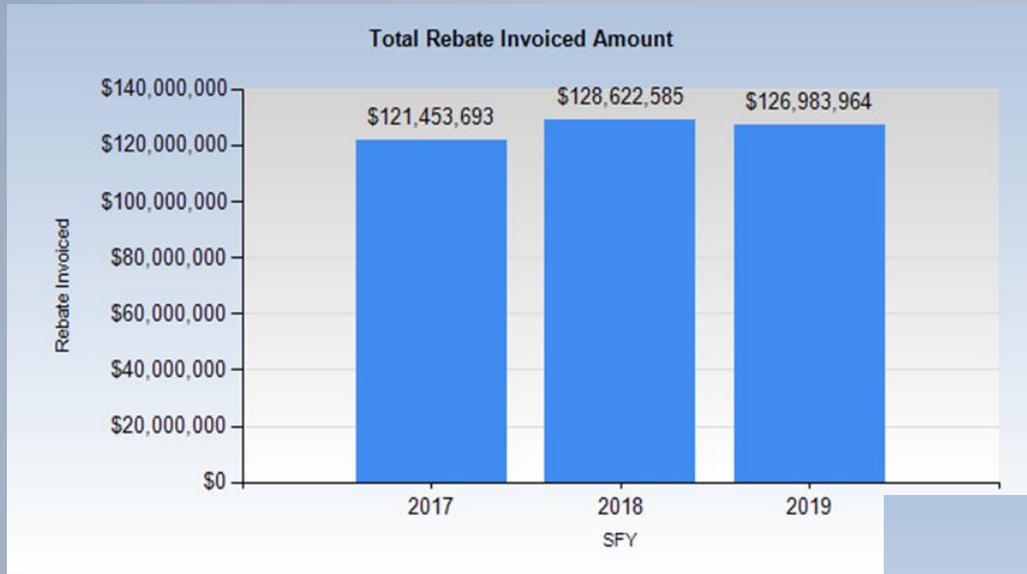
Specialty Gross Paid per Rx



All Claims Gross Paid per Rx



Rebates- All programs



Cost Control Strategies

- › Preferred Drug List-DUR Board activities
 - Shifts utilization to lowest net cost
 - › Preferred vs Non-Preferred
 - › Step Therapy
 - › Quantity Limits
- › Federal rebates
- › Supplemental rebates-SSDC
- › Pricing controls-AAC/340B AAC/ generic SMAC
- › Value-Based Agreements



New High Cost and Ultra-High Cost Drugs

- › Trikafta[®] (elexacaftor/tezacaftor/ivacaftor)-10/19-Cystic Fibrosis
 - Targets most common CF mutation representing 90% of CF population-BID oral regimen~**\$300K per pt. per year**
 - Current CF CFTR spend \$4M
 - Current Medicaid Spend=\$502K but expected to rise significantly
- › Adakveo[®] (crizanlizumab-tmca)–11/19-Sickle Cell Disease Pain Crises
 - Monthly IV infusion, \$84K-\$115K per year
 - Estimated 5 patients per year~\$500K
- › Ingrezza[®](valbenazine)-Tardive Dyskinesia-oral daily tablet~\$60K per year
- › Emflaza[®] (deflazacort)-Duchenne MD-oral daily tablet~\$80K per year



New High Cost and Ultra-High Cost Drugs

› Gene Therapies

- Kymriah (tisagenlecleucel) made from patients own white blood cells. ALL, non-Hodgkin lymphoma-**\$475,000**
- Yescarta (axicabtagene ciloleucel) CD 19 genetically modifies white blood cells to recognize and destroy cancer cells. Non-Hodgkin lymphoma-**\$373,000**
- Luxturna (Voretigene neparvovec) one-time therapy for inherited retinal disease due to mutation of RPE65 gene. **\$425,000 per eye**
- Zolgensma (onasemnogene abeparvovec-xioi)-SMA-<2 yrs old-Single IV Infusion designed to deliver a copy of the gene encoding the human SMN protein-Most expensive drug in the world-**\$2.1 million**
- **Over 300 gene therapies in the pipeline**



Summary

- › DVHA has effectively managed net cost of drug benefit programs since inception of Preferred Drug List
- › More focus placed on physician-administered specialty drugs
- › Potential future growth in value-based manufacturer agreements
- › More rapid growth in spend trend is expected

