

**REPORT TO THE TWENTY-FIFTH HAWAII STATE
LEGISLATURE 2010**

**IN ACCORDANCE WITH THE PROVISIONS OF
ACT 92, SESSION LAWS OF HAWAII 2007, ON
IMMUNOSUPPRESSANT MEDICATION**

**DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
January 2010**

ECONOMIC ASSESSMENT IMPACT REPORT ON IMMUNOSUPPRESSANT MEDICATION FOR QUEST PROGRAM CLIENTS AS REQUIRED BY ACT 92, SESSION LAWS OF HAWAII (SLH) 2007

- 1) Act 241, SLH 2005, created chapter 346, Part XVI Medicaid Preauthorization Exemption, Hawaii Revised Statutes (HRS), to allow any physician licensed in this State who treats a Medicaid recipient who is suffering from the human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), or hepatitis C, or who is in need of transplant immunosuppressives, to prescribe any medications approved by the United States Food and Drug Administration and eligible for Omnibus Budget Reconciliation Rebates Act (OBRA) that are necessary to treat the condition, without having to comply with the requirements of any preauthorization procedure established by any other provision of chapter 346.

The preauthorization exemption was not applied to patients in QUEST health plans.

Act 241 was codified as sections 346-351 and 346-352, HRS.

- 2) Act 92, SLH 2007, amended section 346-352, HRS to provide equal access for Medicaid clients by deleting the exclusion of patients in QUEST health plans from the preauthorization exemption.

Section 3 of Act 92, SLH 2007, requires an economic impact assessment report to the Legislature to include information obtained from insurance providers, who provide Medicaid and QUEST coverage, on the additional costs incurred as a result of providing access to immunosuppressant and other medications to QUEST patients suffering from the conditions as described in section 346-352, HRS.

Medicaid Fee-For-Service (FFS) Only

HIV/AIDS

The Medicaid Fee-For-Service (FFS) program had very few restrictions on medications for treating HIV/AIDS prior to Act 241. Thus, little impact was noted when comparing the findings of six months prior to implementing Act 241 (01/01/05 to 06/30/05) versus those of six months post implementation of Act 241 (07/01/05 to 12/31/05). Claim count and drug costs increased as the number of utilizers increased. No complaint was received by the Med-QUEST Division (MQD) regarding access for the FFS population prior to or after the implementation of Act 241.

On January 1, 2006, more than 50% of the population in FFS began receiving drug coverage under Medicare Part D as a primary insurance coverage. As a result, Medicaid FFS, the payor of last resort, noted a dramatic decrease in utilization, claim count, and drug costs. A slight increase followed over the next three and a half years until QUEST Expanded Access (QExA) was implemented on February 1, 2009, which decreased the FFS population by approximately 95% through their enrollment in the QExA program.

HIV/AIDS

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
01/01/05 to 06/30/05	578	\$298,944	219
07/01/05 to 12/31/05	604	\$331,713	230
01/01/06 to 06/30/06	244	\$132,406	95
07/01/06 to 06/30/07	243	\$162,113	103
07/01/07 to 12/31/07	230	\$168,860	105
01/01/08 to 06/30/08*	226	\$182,495	109
07/01/08 to 01/31/09	215	\$184,878	107
02/01/09 to 06/30/09**	7	\$ 6,073	5

* Act 92, SLH 2007 implemented.

** QUEST Expanded Access implemented.

Hepatitis C

Medications for Hepatitis C also had few restrictions in Medicaid FFS prior to Act 241. As a result, little impact was noted when comparing the findings of six months prior to implementing Act 241 (01/01/05 to 6/30/05) versus those of six months post-implementation of Act 241 (07/01/05 to 12/31/05). Claim count and drug costs increased as the number of utilizers increased. No complaint was received by MQD regarding access for the FFS population prior to or after the implementation of Act 241.

On January 1, 2006, more than 50% of the population in FFS began receiving drug coverage under Medicare Part D as a primary insurance. As a result, Medicaid FFS, the payor of last resort, noted a dramatic decrease in utilization, claim count and drug costs. A slight increase followed over the next three and a half years until QExA was implemented, which decreased the FFS population by approximately 95% through their enrollment in the QExA program.

Hepatitis C

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
01/01/05 to 06/30/05	40	\$50,149	20
07/01/05 to 12/31/05	40	\$51,504	21
01/01/06 to 06/30/06	24	\$30,257	12
07/01/06 to 06/30/07	21	\$29,028	11
07/01/07 to 12/31/07	22	\$31,806	10
01/01/08 to 06/30/08*	28	\$41,549	13
07/01/08 to 01/31/09	25	\$42,444	12
02/01/09 to 06/30/09**	0	\$0	0

* Act 92, SLH 2007 implemented.

** QUEST Expanded Access implemented.

Immunosuppressive Medications for Organ Transplants

Immunosuppressive medications for treatment of organ transplants had few formulary restrictions in Medicaid FFS prior to Act 241. Little impact was noted when comparing the findings of six months prior to implementing Act 241 (01/01/05 to 06/30/05) versus those of six months post implementation of Act 241 (07/01/05 to 12/31/05). Claim count and drug costs increased as the number of utilizers increased. No complaint was received by MQD regarding access for the FFS population prior to or after the implementation of Act 241.

Some immunosuppressants can be used for various medical conditions besides transplants. Pharmacy claims do not indicate the diagnosis, so all prescriptions are included. Clients who are in the State of Hawaii Organ and Tissue Transplant (SHOTT) program are also included.

On January 1, 2006, more than 50% of the population in FFS began receiving drug coverage under Medicare Part D as a primary insurance. Medicaid FFS, the payor of last resort, therefore noted utilization a dramatic decrease in utilization, claim count and drug costs. A slight increase followed over the next three and a half years until QExA was implemented, which decreased the FFS population by approximately 95% through their enrollment in the QExA program.

Immunosuppressives for Organ Transplants (including SHOTT)

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
01/01/05 to 06/30/05	189	\$22,646	111
07/01/05 to 12/31/05	251	\$27,842	137
01/01/06 to 06/30/06	127	\$21,442	75
07/01/06 to 06/30/07	123	\$22,752	72
07/01/07 to 12/31/07	115	\$23,114.	67
01/01/08 to 06/30/08	117	\$20,935	69
07/01/08 to 01/31/09	122	\$21,973	69
02/01/09 to 06/30/09*	9	\$ 4,203	6

* QUEST Expanded Access implemented.

SHOTT

SHOTT recipients are in the special transplant program during the transplant and for one year after the transplant. The table below shows the claims count, drug costs, and utilizers for transplant-related immunosuppressive medications.

SHOTT

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
01/01/05 to 06/30/05	7	\$2,516	3
07/01/05 to 12/31/05	6	\$ 410	3
01/01/06 to 06/30/06	5	\$1,588	3
07/01/06 to 06/30/07	5	\$2,995	4
07/01/07 to 12/31/07	10	\$6,152	6
01/01/08 to 06/30/08	10	\$6,812	6
07/01/08 to 01/31/09	11	\$5,846	6
02/01/09 to 06/30/09*	7	\$2,978	5

* QUEST Expanded Access implemented.

QUEST

The Medicaid QUEST programs are to provide equal access to medications for Medicaid clients who suffer from HIV, AIDS, or hepatitis C, or who need immunosuppressives as a result of organ transplants, per Act 92, SLH 2007, beginning July 1, 2007.

ALOHACARE QUEST

HIV/AIDS

No impact is noticed with this small population when comparing the findings of six months prior to implementing Act 92 (7/1/07 to 12/31/07) versus those of six months post implementation of Act 92 (1/1/08 to 6/30/08).

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	31	\$22,965	6
01/01/08 to 06/30/08	38	\$35,367	6
07/01/08 to 06/30/09	38	\$36,180	5

Hepatitis C

No impact is noticed with this small population.

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	17	\$20,584	3
01/01/08 to 06/30/08	17	\$23,304	3
07/01/08 to 06/30/09	18	\$25,453	2

Immunosuppressives for Organ Transplants

No impact is noticed with this small population.

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	8	\$3,116	2
01/01/08 to 06/30/08	12	\$4,277	2
07/01/08 to 06/30/09	10	\$4,683	1

HMSA QUEST

HIV/AIDS

Little impact was noted when comparing the findings of six months prior to implementing Act 92 (07/01/07 to 12/31/07) versus those of six months post implementation of Act 92 (01/01/08 to 06/30/08).

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	82	\$60,688	40
01/01/08 to 06/30/08	96	\$79,044	47
07/01/08 to 06/30/09	91	\$78,558	51

Hepatitis C

Little impact was noted when comparing the findings of six months prior to implementing Act 92 (07/01/07 to 12/31/07) versus those of six months post implementation of Act 92 (01/01/08 to 06/30/08).

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	22	\$26,506	12
01/01/08 to 06/30/08	32	\$45,079	17
07/01/08 to 06/30/09	31	\$46,257	15

Immunosuppressives for Organ Transplants

No impact is noticed for this class.

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	30	\$ 9,255	23
01/01/08 to 06/30/08	28	\$11,324	23
07/01/08 to 06/30/09	27	\$11,040	23

KAISER QUEST

HIV/AIDS

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	19	\$13,028	10
01/01/08 to 06/30/08	16	\$ 9,951	8
07/01/08 to 06/30/09	20	\$15,159	11

Hepatitis C

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	11	\$6,310	5
01/01/08 to 06/30/08	5	\$3,198	3
07/01/08 to 06/30/09	5	\$3,836	3

Immunosuppressives for Organ Transplants

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	6	\$1,037	5
01/01/08 to 06/30/08	6	\$1,435	5
07/01/08 to 06/30/09	8	\$ 648	7

SUMMERLIN QUEST

Service to clients began August 1, 2007, and no client requested medications in the categories of HIV, AIDS, hepatitis C, or transplant-related immunosuppressives

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
08/01/07 to 12/31/07	0	\$0	0
01/01/08 to 06/30/08	0	\$0	0
07/01/08 to 06/30/09	0	\$0	0
02/01/09 to 06/30/09	0	\$0	0

QUEST Expanded Access (QExA)

QExA was implemented on February 1, 2009, decreasing the FFS population by approximately 95% through their enrollment in the QExA program. Analysis for access and economic impact will not be available until the next legislative report in 2011.

EVERCARE QExA

HIV/AIDS

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
02/01/09 to 06/30/09	82	\$60,880	41

Hepatitis C

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
02/01/09 to 06/30/09	12	\$17,967	7

Immunosuppressives for Organ Transplants

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
02/01/09 to 06/30/09	92	\$31,826	45

OHANA HEALTH PLAN QExA

HIV/AIDS

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
02/01/09 to 06/30/09	139	\$124,349	72

Hepatitis C

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
02/01/09 to 06/30/09	9	\$14,236	4

Immunosuppressives as a Result of Organ Transplants

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
02/01/09 to 06/30/09	151	\$95,608	96

Conclusion

Regardless of whether a client is in the Medicaid FFS (including Medicaid clients in both QUEST and QExA health plans), medications for Medicaid clients who suffer from HIV, AIDS, or Hepatitis C, or who need immunosuppressives for organ transplants, are readily accessible. No complaint was received by MQD regarding access prior to or after the implementation of Act 241 and Act 92.

Increases in drug costs are due to a number of factors, which include the following:

- 1) New drugs with unique mechanisms of action have entered the market since Act 241 was implemented. Usually the new drugs are at higher costs to the Medicaid programs.
- 2) Inflation of the cost of the individual drugs themselves, which in some cases doubled within one reporting period.
- 3) HMSA indicated that generic product availability did not translate into utilization since brand and generic products were available without restriction for some periods. FFS does have system edits to mandate generic, when available.