

**REPORT TO THE TWENTY-SIXTH HAWAII STATE
LEGISLATURE 2011**

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

**DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
December 2011**

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

Act 241, SLH 2005, codified as sections 346-351 and 346-352, HRS, 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 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

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%.

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
07/01/09 – 06/30/10	6	\$ 5,133	2

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
07/01/10 to 06/30/10	<1	\$ 448	<1

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
07/01/10 to 06/30/10	3	\$ 2,349	6

QUEST Expanded Access (QExA)

QExA was implemented on February 1, 2009. Between February 2009 and the end of June 2009, the QExA members had open access to prescriptions. QExA pharmaceutical managed care began effective July 1, 2009.

EVERCARE

HIV/AIDS

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
02/01/09 to 06/30/09	87	\$60,880	13
07/01/09 to 06/30/10	97	\$70,026	7

Hepatitis C

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
02/01/09 to 06/30/09	13	\$19,430	2
07/01/09 to 06/30/10	9	\$15,620	1

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
07/01/09 to 06/30/10	163	\$70,081	108

OHANA HEALTH PLAN**HIV/AIDS**

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
02/01/09 to 06/30/09	139	\$124,339	72
07/01/09 to 06/30/10	132	\$124,082	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
07/01/09 to 06/30/10	17	\$29,052	8

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
07/01/09 to 06/30/10	123	\$92,082	82

QUEST**ALOHACARE****HIV/AIDSs**

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	31	\$22,965	14
01/01/08 to 06/30/08	38	\$35,367	21
07/01/08 to 12/30/08	32	\$36,180	21
01/01/09 to 06/30/09	45	\$43,875	29
07/01/09 to 06/30/10	57	\$60,400	40

Hepatitis C

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	17	\$19,445	10
01/01/08 to 06/30/08	17	\$23,304	9
07/01/08 to 06/30/09	18	\$25,453	9
07/01/09 to 06/30/10	17	\$24,314	8

Immunosuppressives for Organ Transplants

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	14	\$3,533	11
01/01/08 to 06/30/08	16	\$4,492	10
07/01/08 to 06/30/09	16	\$6,292	11
07/01/09 to 06/30/10	12	\$3,860	9

HMSA**HIV/AIDS**

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
07/01/09 to 06/30/10	125	\$110,373	76

Hepatitis C

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
07/01/09 to 06/30/10	18	\$27,386	9

Immunosuppressives for Organ Transplants

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
07/01/09 to 06/30/10	39	\$12,144	30

KAISER

HIV/AIDS

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	21	\$15,342	11
01/01/08 to 06/30/08	16	\$11,137	9
07/01/08 to 06/30/09	21	\$16,010	11
07/01/09 to 06/30/10	26	\$21,611	14

Hepatitis C

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	11	\$6,921	5
01/01/08 to 06/30/08	5	\$3,198	3
07/01/08 to 06/30/09	5	\$3,836	3
07/01/09 to 06/30/10	4	\$2,615	2

Immunosuppressives for Organ Transplants

Service Period	Average Per Month		
	Claims Count	Drug Costs	Count of Unique Utilizers
07/01/07 to 12/31/07	7	\$2,279	5
01/01/08 to 06/30/08	7	\$3,017	5
07/01/08 to 06/30/09	9	\$1,883	7
07/01/09 to 06/30/10	9	\$1,175	7

Conclusion

Medications for MQD program recipients with HIV/AIDS, Hepatitis C, or who need immunosuppressives for organ transplants are readily accessible. Implementation of Act 241 and Act 92 has not appeared to impact access. Increases in drug expenditures may be due to a number of factors, which include the following:

- 1) Increase in total number of recipients including those with the conditions covered by this report, most notably transplantations.
- 2) 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 programs.
- 3) Inflation of the cost of the individual drugs themselves, which in some cases doubled within one reporting period.