



WISCONSIN DEPARTMENT
of HEALTH SERVICES

Liberalization of Coverage for Direct Acting Antivirals

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Wisconsin Medicaid

- Wisconsin's state population is 5.8 million.
- 20% of Wisconsin's population is covered by Medicaid.
- About 80% of Wisconsin Medicaid is administered through health maintenance organizations.
- Pharmacy is a carved out benefit.

Cost Impact Projection

- Wisconsin worked with Milliman in 2015 to develop a financial model that could be used to predict cost of treating hepatitis C at various disease severity levels and various price points, which factored in cost savings from treatment.
- By this model, open access to direct acting antivirals (DAAs) were found to be cost prohibitive.

Pricing

- Leveraged preferred agents in negotiations with manufacturers.
- Discussed a buying partnership with other state agencies (Wisconsin Department of Employee Trust Funds and Department of Corrections).
- Found that regulatory constraints and market strategies across state partners were inherently different.

Pre-liberalization Policy

- Coverage was restricted to more severe disease; initially F3 or higher, then subsequently greater than or equal to F2
- Subspecialty prescribers (board certified gastroenterologists or infectious disease physician only)
- Sobriety restrictions

Stakeholder Input

- Iterative process
- Technical expertise regarding validated fibrosis measures and treatment of specific sub-populations
- Small changes were made over time

Market Forces

- More DAAs equals more leverage to negotiate supplemental rebates according to our preferred agents.
- In middle of 2017 Mayvret further disrupted the DAA market and was added as our preferred pan-genotypic agent.
- At this time, average price for course of DAAs had almost halved.

Changing Epidemiology

- Increasing hepatitis C infection in young people especially women
- Rate of births to Wisconsin Medicaid members with hepatitis C almost doubled from 2.7% in 2011 to 5.2% in 2015
- These women would generally not be meeting coverage criteria in the intrapartum period

Policy Change

- No disease severity restriction
- Any licensed prescriber
- Softer sobriety restrictions

Post Policy Change Utilization

- Examined 12m pre policy change vs. 12m post policy change
- Prior authorization requests increased only modestly by 17%
 - 12m pre policy change; 44% prior authorization denial rate equaled 466 members treated
 - 12m post policy change; denial rate was less than one percent and equaled 972 members treated

Fiscal Impact Post Policy Change

- Cost of increased utilization has been offset by reduced DAA prices.
 - Market forces offset the cost of increased utilization so that total expenditure was only modestly elevated post liberalization of coverage