

Impact Analysis of ICER- Based Formulary Implementation in Medicaid

October 2019

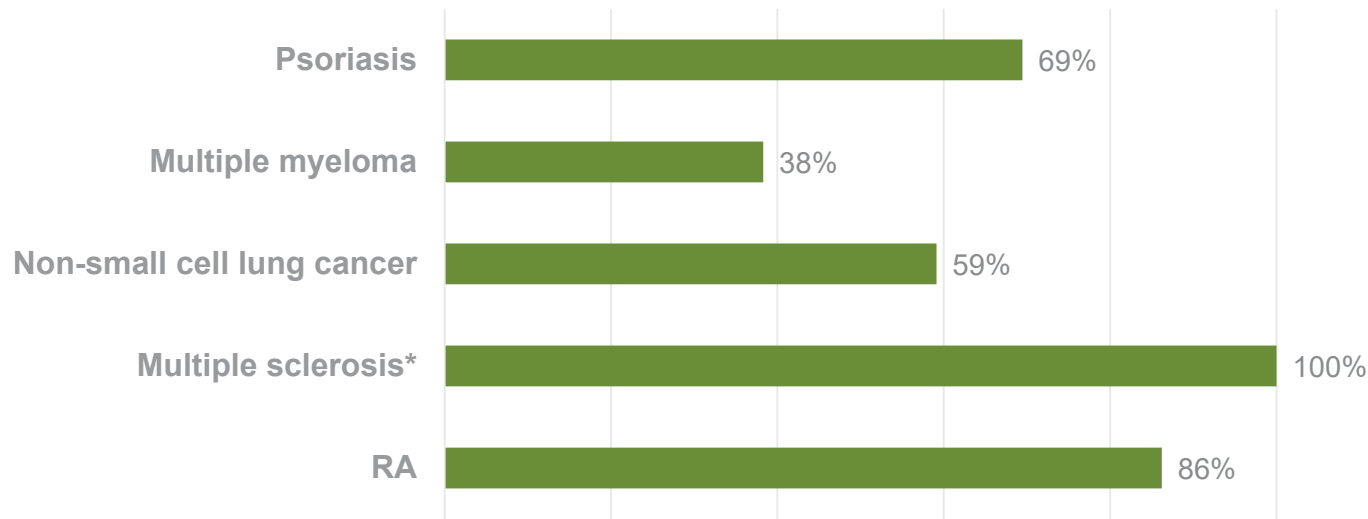


Summary

Based on assessing Medicaid utilization data for the 5 states of interest—California, Massachusetts, Maryland, Nevada, and New York—a significant number of patients with multiple sclerosis (MS), rheumatoid arthritis (RA), non-small cell lung cancer (NSCLC), multiple myeloma (MM), and psoriasis would potentially lose access to the treatments their doctors determined were best for them if Medicaid began utilizing an Institute for Clinical and Economic Review (ICER)-based formulary.

- Approximately two-thirds of prescriptions for medicines to treat RA, NSCLC, and psoriasis would potentially be shifted to an ICER-recommended drug
- 100% of prescriptions to treat MS would potentially be switched from their current treatment as there was no reported utilization of the medicine ICER deemed highest value across any of the 5 states

Percentage of Prescriptions That Could Be Subject to Access Restrictions Across All 5 States, 2018



* There was no reported utilization for the ICER-preferred product in the 5 states included in the study

Policy Implications

Restricting physicians to a limited number of treatment options eliminates flexibility that is sometimes needed to treat patients effectively; an ICER-based formulary may restrict access and lead to prescriber fatigue

An ICER-based formulary could negatively affect timely patient access to treatment by creating new challenges in the form of utilization management restrictions and other barriers

Switching patients from a self-administered drug to a physician-administered therapy could affect patients, shift utilization to another site of care, and increase the financial burden on beneficiaries; this may vary by state Medicaid and managed Medicaid plans

Methodology and Limitations

Methodology

- Xcenda selected therapeutic areas and products evaluated by ICER¹ that would be covered under state and managed Medicaid programs for this analysis. Xcenda assessed the impact of shifting prescription volume to therapies deemed most cost-effective by ICER based on QALY scores
 - For products that have multiple indications across the selected therapeutic areas, Xcenda leveraged National (Hospital) Ambulatory Medical Care Survey (NAMCS/NHAMCS) data to create distribution factors
- Xcenda used the Centers for Medicare & Medicaid Services (CMS) 2018 Medicaid State Drug Utilization Data to conduct the analysis²
- The assessment is focused on the following 5 states: CA, MA, MD, NV, NY
- This impact assessment focuses on utilization in CY 2018

Limitations

- Patient-level detail (eg, number of beneficiaries, diagnoses) was not provided; therefore, utilization was assessed per product and not per product and indication
- Xcenda was unable to identify patients using multiple prescriptions in a calendar year
- Xcenda did not account for differences in how medicines may be covered in different Medicaid plans and what access restrictions may exist

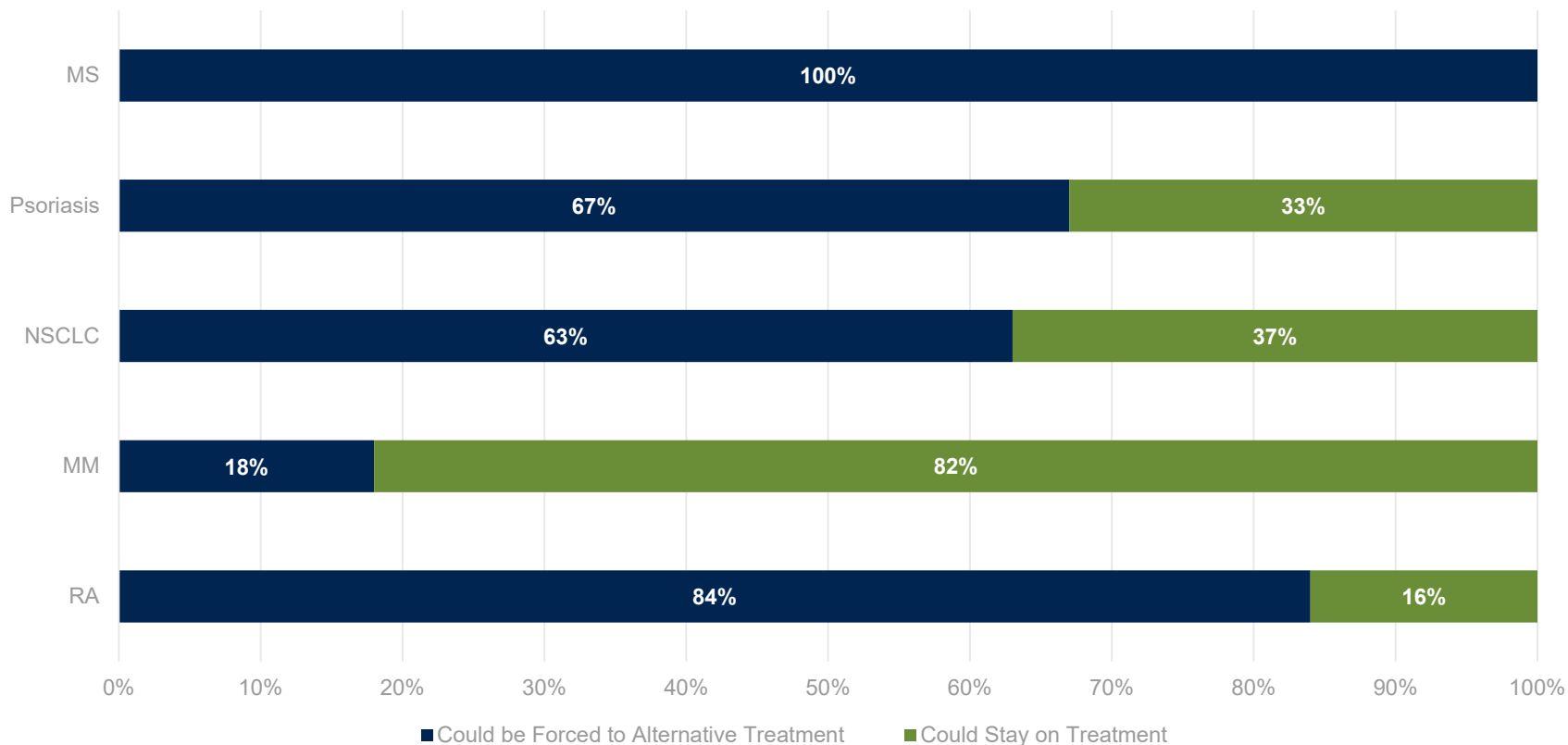
1. Institute for Clinical and Economic Review. <https://icer-review.org/>

2. Medicaid. <https://www.medicaid.gov/medicaid/prescription-drugs/state-drug-utilization-data/index.html>. Accessed June 3, 2019.

Findings by State

California

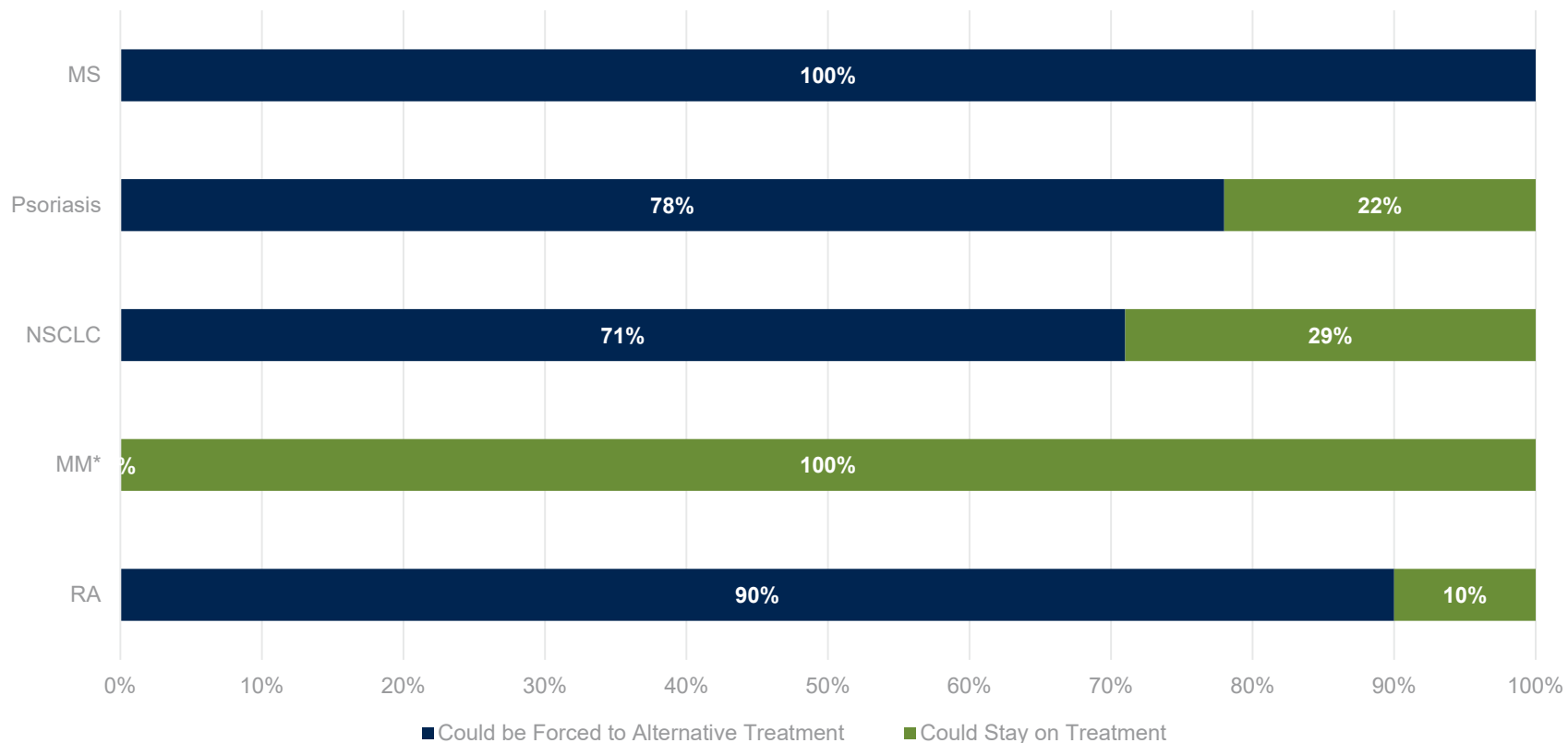
Percentage of Prescriptions for Each Condition that May Be Subject to Access Restrictions Under an ICER-Based Formulary in Medicaid, CA



RA: N= 45,400, MM: N= 1,800, NSCLC: N= 4,000, Psoriasis: N= 33,000, MS: N= 10,900

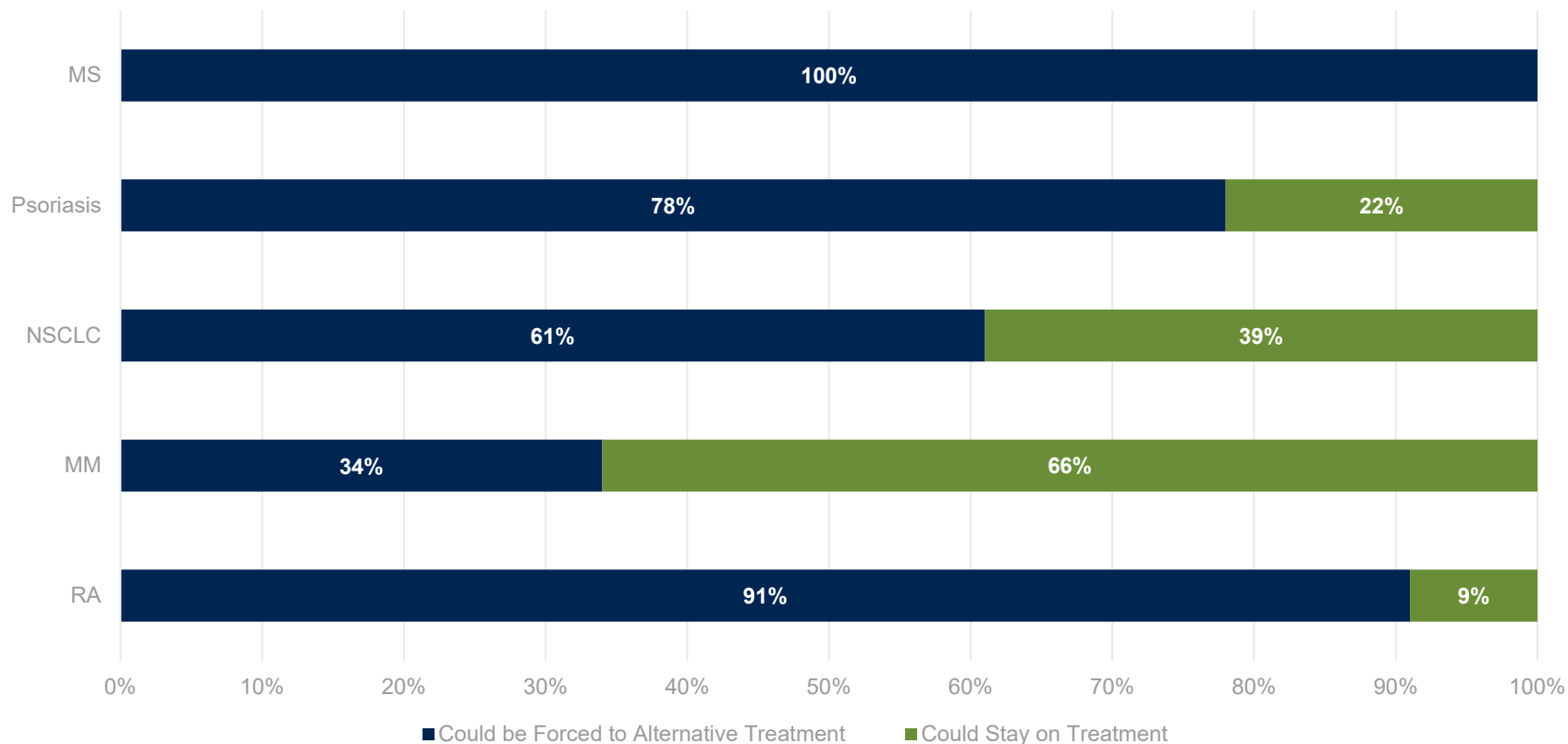
Massachusetts

Percentage of Prescriptions for Each Condition that May Be Subject to Access Restrictions Under an ICER-Based Formulary in Medicaid, MA



Maryland

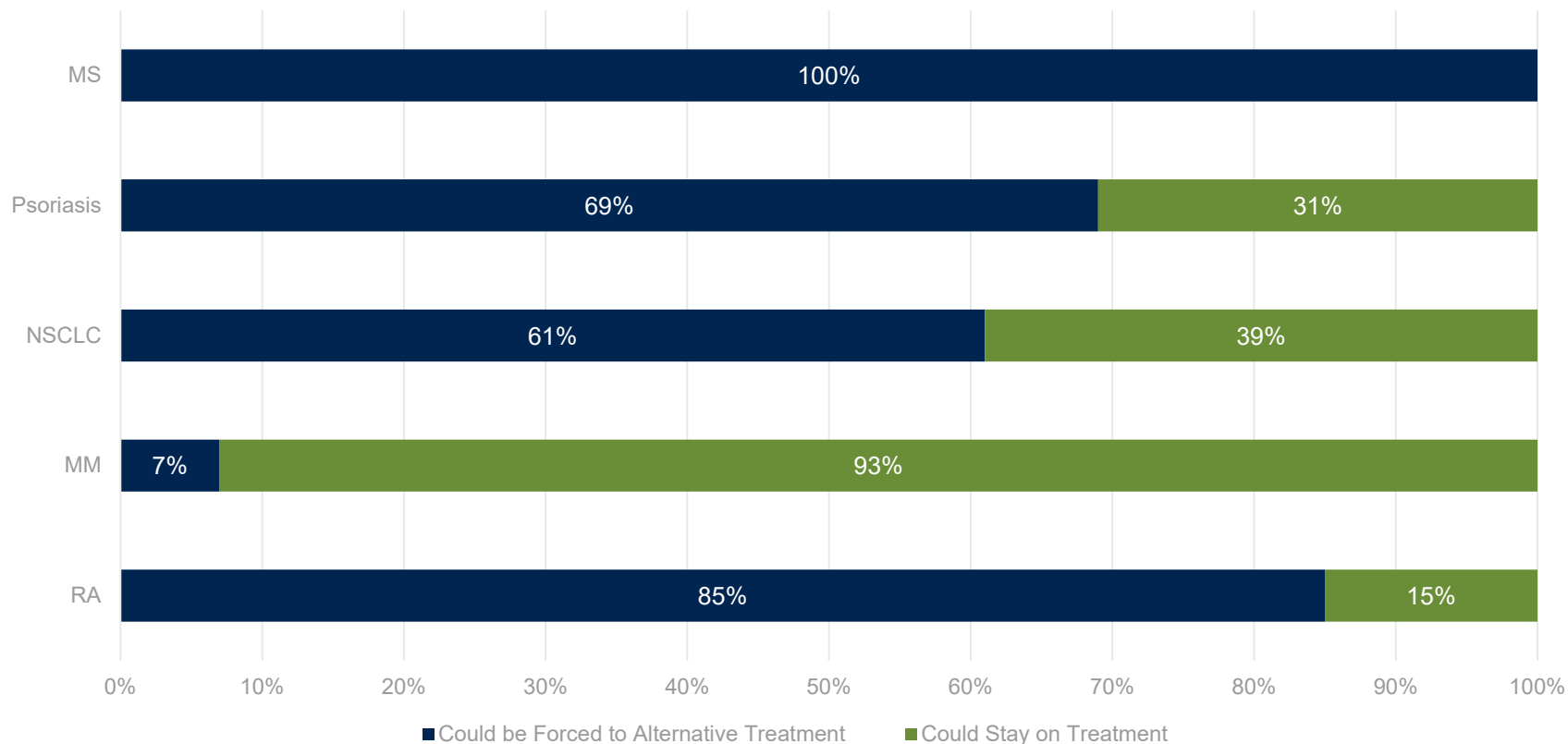
Percentage of Prescriptions for Each Condition that May Be Subject to Access Restrictions Under an ICER-Based Formulary in Medicaid, MD



RA: N= 7,000, MM: N= 111, NSCLC: N= 399, Psoriasis: N= 5,200, MS: N= 3,300

Nevada

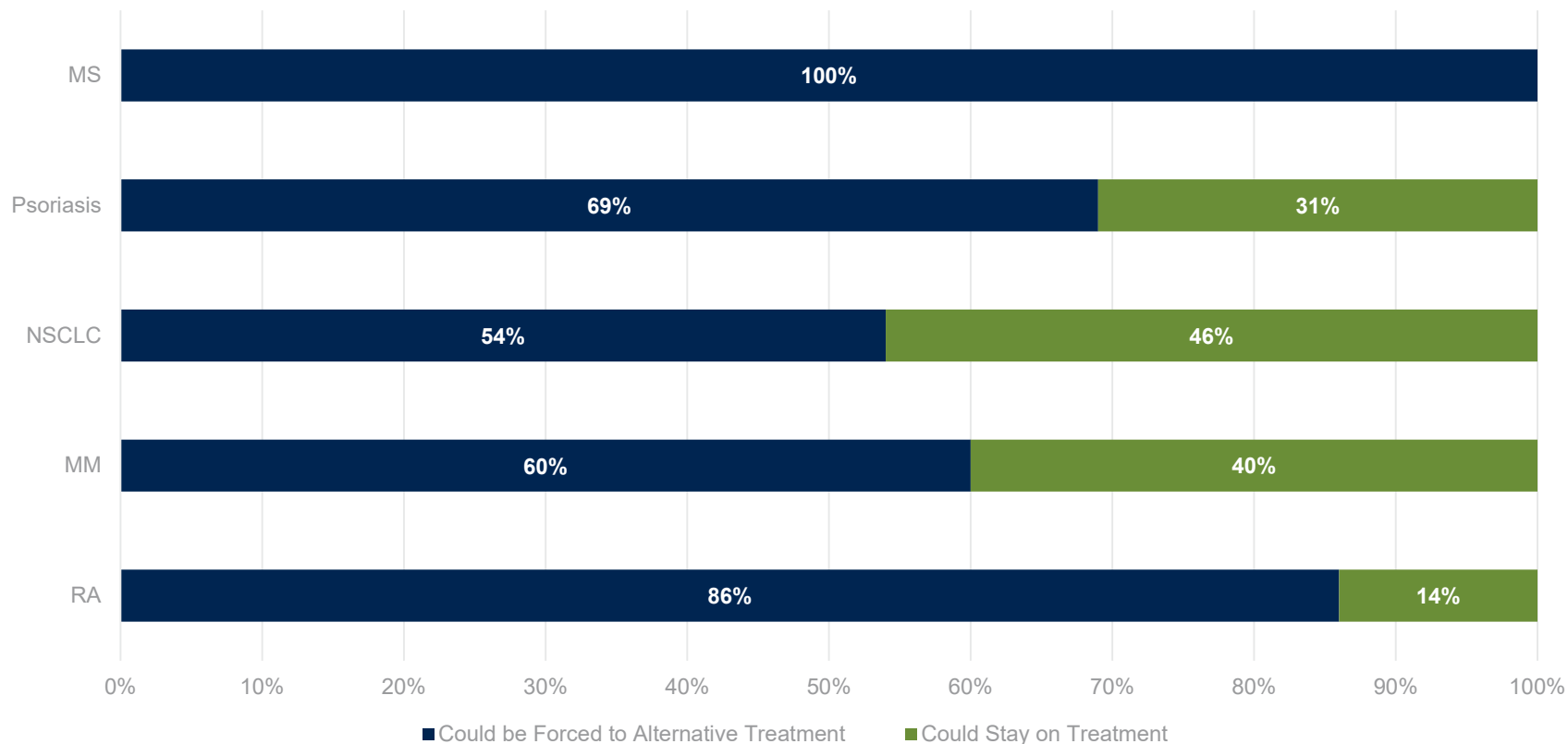
Percentage of Prescriptions for Each Condition that May Be Subject to Access Restrictions Under an ICER-Based Formulary in Medicaid, NV



RA: N= 2,800, MM: N= 190, NSCLC: N= 677, Psoriasis: N= 2,000, MS: N= 1,600

New York

Percentage of Prescriptions for Each Condition that May Be Subject to Access Restrictions Under an ICER-Based Formulary in Medicaid, NY



*This work was done on behalf of PhRMA.
Xcenda maintained control over methodology and editorial content.*