State Medicaid Financing Models to Support Access and Adherence to Pre-Exposure Prophylaxis (PrEP)

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Goal for the Session

To describe California state strategies and programs designed to finance PrEP for people at risk for HIV

Discussion will include innovative programs that address gaps in health insurance coverage for PrEP



Objectives



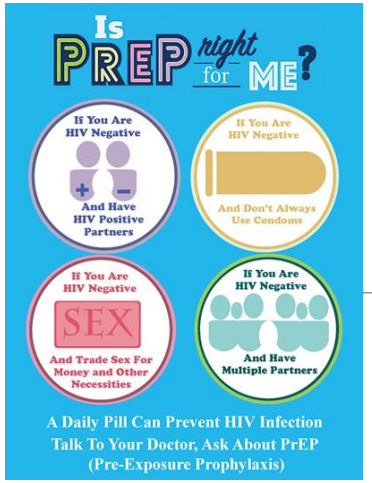
- **Discuss cost-effectiveness of providing a PrEP drug benefit**
- **Describe PrEP financing and reimbursement through Medicaid**
- **Discuss other PrEP assistance programs with California state administrative oversight**
- **Discuss manufacturer patient assistance programs**

Cost Effectiveness of PrEP



- **2015 study showed undiscounted lifetime HIV treatment costs ranged from approximately $1,440,000 to $1,480,000**
- **The annual cost of PrEP was approximately $12,000 per participant, and $621,400 per infection prevented** (In California, without insurance, PrEP costs approximately $1,250 a month or $15,000 a year)
- **The PrEP strategy was cost-saving in all scenarios for undiscounted and 3% discounting rates**

Can J Infect Dis Med Microbiol. 2015 Jan-Feb; 26(1): 23–29.



Cost Effectiveness of PrEP

- **Failures of daily oral HIV pre-exposure prophylaxis (PrEP) with Truvada are rare**

(Redefining Human Immunodeficiency Virus (HIV) Preexposure Prophylaxis Failures: Clinical Infectious Diseases, Volume 65, Issue 10, 30 October 2017, Pages 1768–1769)

- **Study of HIV infections among individuals receiving PrEP within the Kaiser Permanente Northern California (KPNC) healthcare system: Among those who started PrEP, the mean duration of use, estimated from the time a first *Truvada* prescription was filled until the last filled prescription ran out, was 12.4 months. No new HIV infections occurred during more than 5000 person-years of *Truvada* use**

(*Marcus JL et al. Redefining HIV preexposure prophylaxis failures. Clinical Infectious Diseases, 2017.*)

Medi-Cal: PrEP Benefit Overview

- PrEP medication is noncapitated (carved-out) from Managed Care Plans (MCPs) and is paid via a Fee-for-Service (FFS) claim
- Provider outreach and education - State Drug Utilization Review (DUR) process
- MCP outreach and directives related to patient assessment of risk, testing for HIV, and PrEP prescribing considerations
- Academic detailing Programs-Pacific AIDS Education and Training Center (PAETC)



Medi-Cal Benefit- Reimbursement



- Medication cost is a 50:50 shared cost split with the federal government
- Provider reimbursement established in statute and State Plan: National Average Drug Acquisition Cost plus dispensing fee
- Net cost to state is the provider reimbursed amount minus all rebates (state and federal)

Medi-Cal Benefit- Rebates



- Federal rebates
  - Mandatory
  - Collected for both MCP and FFS beneficiary utilization
- Manufacturer state supplemental rebate contract
  - FFS claims only
  - Negotiated with manufacturer on a drug by drug basis using 5 criteria in state statute: Safety, Effectiveness, Essential Need, Misuse Potential, Net Cost to the State

Other State Funded PrEP Programs



- California HIV/AIDS Research Program
- PrEP Assistance Program
- Project PrIDE
- State Funded Strategic HIV Prevention Programs

California HIV/AIDS Research Program (CHRP)



- The California HIV/AIDS Research Program (CHRP) fosters outstanding and innovative research that responds to the needs of all people of California, especially those who are often under served, by accelerating progress in prevention, education, care, treatment, and a cure for HIV/AIDS
- Since 1983, CHRP has invested over $250 million to sponsor more than 2,000 research projects on HIV/AIDS in California
- CHRP's 2016 budget is **$8.75 million**
- Since its founding, the program has funded over **2,000 research projects** and allocated more than **$275 million in grants**
- In 2012 partnership with Gilead Sciences, which agreed to provide the drug free of charge for the research, CHRP researchers at UCLA, UC San Diego and UCSF teamed with public health departments and HIV/AIDS community programs to provide Truvada to at risk individuals and monitor compliance and effectiveness

CHRP Targeted Outreach Pilots



- Young Gay and Bisexual Men of Color
- Transgender
- Homeless Youth
- Women of Color



Manufacturer's Assistance Program and Covered California Plans

Gilead provides PrEP free to people with limited income and no insurance. Information about enrolling in low-cost health insurance can be obtained from Covered California at their website.

COVERED CALIFORNIA

- The Gilead Medication Assistance Program provides Truvada to qualified individuals (income below 500% of the FPL and no other sources for health insurance or prescription coverage) free of charge
- Gilead, also offers an "Advancing Access" co-pay coupon card which covers up to $4,800 in co-pays per year with no monthly limit
- Most Covered California plan's drug benefit, in conjunction with the Gilead co-pay card, potentially reduces a person's out-of-pocket spending for Truvada® to zero
- Patients may have to pay copay amounts over $400/annually if enrolled in Bronze plans