

OHS CONNECTICUT Office *of* Health Strategy

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REPORT FOR MARCH 1, 2023

Top Ten List of Outpatient Prescription Drugs pursuant to Conn. Gen. Stat. §19a-754b(d)

The Office of Health Strategy (OHS) is charged by statute to develop a list of not more than ten outpatient prescription drugs that OHS determines are provided at substantial cost to the state or critical to public health. The list must be based on the specifications outlined in Conn. Gen. Stat. § 19a-754b(b)(1):

- The list must include at least one generic drug;
- The list must include drugs from different therapeutic classes;
- *The list cannot include any drugs that did not have at least a 20% increase in cost during the past year or 50% during the past three years; and
- *The list cannot include any drugs that were less than \$60 for either a 30-day supply or a course of treatment lasting less than 30 days.

*The statute requires that these two criteria be based upon the wholesale acquisition cost (WAC) of the drug, less all rebates paid to the state for the drug. The rebate data is unavailable at this time.

Methodology: To fulfill this mandate, OHS, in consultation with the Office of Comptroller (OSC), limits the analysis to state government pharmacy spending on state employees and retirees. OHS pulls state employee/retiree outpatient prescription drug data from its All-Payer Claims Data (APCD) database. The list of prescription drugs comprises those that exceeded \$60 for either a 30-day supply or 30-day course of treatment and had the highest state spend for 2022. Included in the data is the National Drug Code (NDC) by total gross state spend and total number of prescriptions for state fiscal years 2019-2022. Spending for an NDC is the allowed amount for a pharmacy claim which is the sum of the state paid amount and member out of pocket amounts (i.e., deductible, co-insurance and co-pay). A preliminary list of 250 drugs is pulled to allow for a variety of therapeutic classes and generic drugs.

OHS provides the list of 250 outpatient prescription drugs to OSC and CVS Health, the state government plan administrator, to review and cross-check with their own pharmacy spend data for the state employee/retiree plan. After OSC has verified the list and aggregate spend, they request the average wholesale price (AWP) and/or wholesale acquisition cost (WAC) per unit by NDC from CVS Health.

Once OHS receives the amended outpatient prescription drug list appended with the WAC from OSC, OHS calculates the percentage of WAC change by NDC to evaluate if the year over year increase is over 20%, or over 50% over the last three years.

OHS reviewed the increases over the last year and during the past three years and determined that none of the drugs by NDC met the statutory criteria of 20% increase from SFY 2021 -2022, or 50% increase from SFY 2019 - 2022.

OHS may release separate information or data that provides useful information to enhance transparency. The additional lists will also be based on the state plan dataset.

This listing and any additional list or data releases which OHS posts or makes available, will not trigger the information and data filings required by Conn. Gen. Stat. § 19a-754b (c)(2) from drug manufacturers, until the next list is released in March 2024.

Background on APCD

APCD claims and eligibility data is submitted by the insurance carriers, Medicare, Medicaid, and the state employee/retiree plans. OHS receives the data on a monthly basis. The APCD does not reflect total drug spending in the state of Connecticut because insurers only submit data for fully-insured, Medicare Advantage, and state employees and retiree plans. The APCD also includes Medicare, and Medicaid fee for service (FFS) claims. Altogether, APCD represents approximately 76% of the total insured in CT; the remaining are the Employee Retirement Income Security Act (ERISA or self-insured) claims, that the state is prohibit by federal law from requiring to be submitted. Also, insurers do not provide information on rebates to the APCD. For more information about the CT APCD visit <u>https://portal.ct.gov/healthscorect/data-request?language=en_US</u>