



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

CHERYL ROBERTS
DIRECTOR

SUITE 1300
600 EAST BROAD STREET
RICHMOND, VA 23219
804/786-7933
804/343-0634 (TDD)

March 21, 2024

MEMORANDUM

TO: The Honorable Luke Torian
Chair, House Appropriations Committee

The Honorable Louise Lucas
Chair, Senate Finance and Appropriations Committee

FROM: Cheryl J. Roberts
Director, Virginia Department of Medical Assistance Services

SUBJECT: Quarterly Medicaid Expenditures for Diabetic and Weight Loss Drugs

This report is submitted in compliance with item 304.ZZZZ.3. of the *2023 Appropriations Act*, which states:

“3. The Department of Medical Assistance Services shall report Medicaid expenditures for diabetic and weight loss drugs each quarter, by no later than 60 days after the end of each quarter, to the Chairs of House Appropriations and Senate Finance and Appropriations Committees. The report shall breakout the expenditures by drug.”

Should you have any questions or need additional information, please feel free to contact me at (804) 664-2660.

CJR/wrf

Enclosure

Pc: The Honorable John Littel, Secretary of Health and Human Resources

Medicaid Expenditures for Diabetic and Weight Loss Drugs

A Report to the Virginia General Assembly

March 21, 2024

About DMAS and Medicaid

The mission of the Virginia Medicaid agency is to improve the health and well-being of Virginians through access to high-quality health care coverage.

The Department of Medical Assistance Services (DMAS) administers Virginia's Medicaid and CHIP programs for over 2 million Virginians. Members have access to primary and specialty health services, inpatient care, dental, behavioral health as well as addiction and recovery treatment services. In addition, Medicaid long-term services and supports enable thousands of Virginians to remain in their homes or to access residential and nursing home care.

Medicaid members historically have included children, pregnant women, parents and caretakers, older adults, and individuals with disabilities. In 2019, Virginia expanded the Medicaid eligibility rules to make health care coverage available to more than 600,000 newly eligible, low-income adults.

Medicaid and CHIP (known in Virginia as Family Access to Medical Insurance Security, or FAMIS) are jointly funded by Virginia and the federal government under Title XIX and Title XXI of the Social Security Act. Virginia generally receives an approximate dollar-for-dollar federal spending match in the Medicaid program. Medicaid expansion qualifies the Commonwealth for a federal funding match of no less than 90% for newly eligible adults, generating cost savings that benefit the overall state budget.

Report Mandate:

The 2023 Appropriation Act, Item 304.ZZZZ., states:

“ZZZZ.1. The Department of Medical Assistance Services shall amend its regulations and guidance on weight loss drugs to require service authorization for all weight loss drugs to ensure appropriate utilization. The regulations shall be consistent with the appropriate clinical criteria generally used in the health insurance industry. The department shall have authority to implement these provisions prior to the completion of any regulatory process undertaken in order to effect such change.

2. The Department of Medical Assistance Services shall require service authorization for newer diabetic drugs to ensure appropriate utilization and adherence to clinical guidelines. The service authorization shall require evidence of a diagnosis of diabetes and the ineffectiveness of traditional drug treatments. The department shall have authority to implement these provisions prior to the completion of any regulatory process undertaken in order to effect such change.

3. The Department of Medical Assistance Services shall report Medicaid expenditures for diabetic and weight loss drugs each quarter, by no later than 60 days after the end of each quarter, to the Chairs of House Appropriations and Senate Finance and Appropriations Committees. The report shall breakout the expenditures by drug.”

Summary

Weight loss Medications: Glucagon-Like Peptide 1 (GLP1) medications are utilized more often for weight loss than non GLP1 medications. Utilization of GLP1 medications for weight loss have increased in the last quarter for Fee For Service (FFS) members and most Managed Care Organizations (MCOs), except for United Health Care. All MCO and FFS share the same criteria.

Diabetes Medications: GLP1 utilization for Diabetes has increase on average 2,000 claims for all MCOs except HealthKeepers, utilization in FFS doubled which is likely a factor of fluctuations of the FFS population during redeterminations.

Utilization of Wegovy was impacted by manufacturer shortage. Stricter guidelines to prevent off label use of Ozempic became effective in Q4. Mounjaro was approved for weight loss under the name of Zepbound in Q4, which is non preferred on the PDL and only available if there was a trial and failure of preferred products. Utilization for weight loss will be added to this report in Q4.

January 1, 2023 to September 30, 2023		* denotes preferred medication	
FFS			
Brand Name	Weight loss medications	Total Claims	Total Payment Amount (payment is calculated with Shadow pricing Not MCO pricing)
Contrave	naltrexone HCl/bupropion HCl	11	\$2,558
Alli/ Orlistat /Xenical	orlistat	5	\$3,306
SAXENDA*	liraglutide	26	\$31,755
WEGOVY*	semaglutide	125	\$147,399
Total Wt. Loss		167	\$185,018
Diabetic Medication			
Byetta*	exenatide	1	\$805
Mounjaro	tirzepatide	34	\$24,338
Ozempic	semaglutide	119	\$81,951
Rybelsus oral	semaglutide oral	9	\$7,383
TRULICITY*	dulaglutide	413	\$266,363
VICTOZA*	liraglutide	54	\$32,066
Total Diabetic GPL1		629	\$412,101

Aetna Better Health of Virginia			
Brand Name	Weight loss medications	Total Claims	Total Payment Amount (payment is calculated with Shadow pricing Not MCO pricing)
Alli/ Orlistat /Xenical	orlistat	12	\$1,683
Bydureon Bcise	exenatide microspheres	48	\$36,568
Contrave	naltrexone HCl/bupropion HCl	50	\$23,373
Imcivree	Setmelanotide Acetate	3	\$99,032
SAXENDA*	liraglutide	404	\$462,286
WEGOVY*	semaglutide	2,071	\$2,604,882
Total Wt. Loss		2,588	\$3,227,824
Diabetic Medication			
Bydureon Bcise	exenatide microspheres	48	\$36,568
Byetta*	exenatide	63	\$50,446
Mounjaro	tirzepatide	727	\$638,030
Ozempic	semaglutide	1,792	\$1,399,260
Rybelsus oral	semaglutide	212	\$184,689
TRULICITY *	dulaglutide	10,017	\$9,496,983
VICTOZA*	liraglutide	2,678	\$2,681,491
Total Diabetic GPL1		15,537	\$14,487,467

HealthKeepers

Brand Name	Weight loss medications	Total Claims	Total Payment Amount (payment is calculated with Shadow pricing Not MCO pricing)
Contrave	naltrexone HCl/bupropion HCl	49	\$24,069
Alli/ Orlistat /Xenical	orlistat	5	\$3,303
SAXENDA*	liraglutide	4,631	\$466,362
WEGOVY *	semaglutide	2,214	\$2,741,965
Total Wt. Loss		6,899	\$3,235,699
Diabetic Medication			
Bydureon Bcise	exenatide microspheres	146	\$108,879
Byetta*	exenatide	28	\$25,606
Mounjaro	tirzepatide	1,916	\$1,717,692
Ozempic	semaglutide	7,503	\$6,406,086
Rybelsus oral	semaglutide	1,049	\$918,824
TRULICITY *	dulaglutide	7,950	\$7,288,882
VICTOZA*	liraglutide	1,838	\$1,789,191
Total Diabetic GPL1		20,430	\$18,255,160

Molina Health

Brand Name	Weight loss medications	Total Claims	Total Payment Amount (payment is calculated with Shadow pricing Not MCO pricing)
Alli/ Orlistat /Xenical	orlistat	17	\$8,126
Contrave	naltrexone HCl/bupropion HCl	18	\$7,573
SAXENDA*	liraglutide	106	\$121,970
WEGOVY *	semaglutide	689	\$861,432
Total Wt. Loss		830	\$999,101
Diabetic Medication			
Bydureon Bcise	exenatide microspheres	34	\$24,651
Byetta*	exenatide	9	\$7,215
Mounjaro	tirzepatide	233	\$188,175
Ozempic	semaglutide	739	\$542,238
Rybelsus oral	semaglutide	145	\$119,134
TRULICITY *	dulaglutide	4,660	\$3,185,638
VICTOZA*	liraglutide	1,027	\$989,002
Total Diabetic GPL1		6,847	\$5,056,053

Optima Health Plan

Brand Name	Weight loss medications	Total Claims	Total Payment Amount (payment is calculated with Shadow pricing Not MCO pricing)
Contrave	naltrexone HCl/bupropion HCl	72	\$38,353

Alli/ Orlistat /Xenical	orlistat	10	\$6,017
SAXENDA*	liraglutide	466	\$533,514
WEGOVY*	semaglutide	1,956	\$2,475,955
Total Wt. Loss		2,432	\$3,053,839
Diabetic Medication			
Bydureon Bcise	exenatide microspheres	31	\$17,643
Byetta*	exenatide	43	\$43,961
Mounjaro	tirzepatide	238	\$188,175
Ozempic	semaglutide	900	\$690,876
Rybelsus oral	semaglutide	109	\$87,571
TRULICITY *	dulaglutide	7,743	\$8,100,984
VICTOZA*	liraglutide	2,028	\$2,279,556
Total Diabetic GPL1		11,092	\$11,408,766

UnitedHealthCare Community Plan

Brand Name	Weight loss medications	Total Claims	Total Payment Amount (payment is calculated with Shadow pricing Not MCO pricing)
Alli/ Orlistat /Xenical	orlistat	32	\$7,628
Contrave	naltrexone HCl/bupropion HCl	50	\$24,183
SAXENDA*	liraglutide	381	\$474,876
WEGOVY*	semaglutide	1,609	\$2,080,822
Total Wt. Loss		2,072	\$2,587,509
Diabetic Medication			
Bydureon Bcise	exenatide microspheres	28	\$21,752
Byetta*	exenatide	28	\$25,605
Mounjaro	tirzepatide	417	\$359,940
Ozempic	semaglutide	1,243	\$925,720
Rybelsus oral	semaglutide	305	\$263,585
TRULICITY *	dulaglutide	5,095	\$4,622,099
VICTOZA*	liraglutide	1,535	\$1,570,996
Total Diabetic GPL1		8,651	\$7,789,697

Virginia Premier Health Plan, Inc.

Brand Name	Weight loss medications	Total Claims	Total Payment Amount (payment is calculated with Shadow pricing Not MCO pricing)
Alli/ Orlistat /Xenical	orlistat	238	\$193,081
Contrave	naltrexone HCl/bupropion HCl	76	\$40,156
Imcivree	Setmelanotide Acetate	5	\$148,553
SAXENDA*	liraglutide	506	\$589,515
WEGOVY*	semaglutide	1,999	\$2,541,103
Total Wt. Loss		2,824	\$3,512,408
Diabetic Medication			
Bydureon Bcise	exenatide microspheres	64	\$50,835

Byetta*	exenatide	73	\$71,198
Mounjaro	tirzepatide	605	\$576,364
Ozempic	semaglutide	1,414	\$114,211
Rybelsus oral	semaglutide	283	\$249,426
TRULICITY *	dulaglutide	7,206	\$7,288,882
VICTOZA*	liraglutide	2,106	\$2,223,632
Total Diabetic GPL1		11,751	\$10,574,548

Utilization of Weight Loss and Diabetic Medications

2023

Summary	Q1 2023				Q2 2023				Q3 2023				Q4 2023			
	Spend		Claims		Spend		Claims		Spend		Claims		Spend		Claims	
	Plan	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)	
FFS	\$58,739	\$87,111	52	148	\$75,274.32	\$103,746.88	66	164	\$29,678	\$228,089	49	323	\$31,308.83	\$223,264.55	31	312
Aetna	\$591,897	\$5,815,764	494	6,201	\$1,388,017.26	\$6,530,490.90	1,105	7,019	\$1,229,816	\$5,682,876	963	6,081	\$1,109,167.63	\$5,702,017.31	862	6,129
Anthem	\$629,955	\$6,428,586	534	7,183	\$1,389,347.93	\$7,433,900.15	1,150	8,362	\$1,243,558	\$7,306,346	1,037	8,036	\$1,022,713.73	\$7,077,550.79	846	7,656
Molina	\$205,957	\$1,959,382	169	2,215	\$414,746.72	\$2,189,524.20	337	2,468	\$371,682	\$2,069,177	310	2,280	\$375,553.92	\$2,124,237.77	307	2,406
Optima	\$804,749	\$4,710,245	660	4,541	\$1,357,399.99	\$5,146,392.48	1,102	4,924	\$937,755	\$4,440,742	784	4,279	\$862,398.65	\$5,252,951.77	693	5,136
United	\$720,621	\$3,274,379	591	3,429	\$1,059,199.89	\$3,171,394.07	841	3,587	\$811,897	\$3,137,196	641	3,615	\$648,275.87	\$3,346,650.61	519	3,899
VA Premier	\$880,732	\$4,728,964	653	4,751	\$1,483,453.38	\$5,371,013.95	1,156	5,405	\$1,017,501	\$4,251,747	839	4,229	\$660,211.25	\$3,179,474.50	546	3,234
Total	\$3,892,651	\$27,004,432	3,153	28,468	\$7,167,439	\$29,946,463	5,757	31,929	\$5,641,887	\$27,116,173	4,623	28,843	\$4,709,630	\$26,906,147	3,804	28,772

All MCO pricing is calculated with Shadow pricing (using the DMAS pricing algorithm, FFS uses)

Spend and utilization is from reporting on 2/13/24 and reflects the most accurate claims reporting from MCOs and FFS on this date. It will be different from past reports submitted due to the time period the report is ran.

Summary

- Overall, Medicaid spend on GLP1 weight loss drugs peaked during Q2 2023 at \$7.1 million followed by a decline of ~\$1 million each subsequent quarter. That trend is likely caused by limited access to medication due to manufacturer shortages. A similar trend was noted for GLP1 diabetes expenditure.
- Anthem has the largest average enrollment population through the end of the 2nd quarter.
- Aetna has roughly 1/2 of the enrollment population of Anthem during all quarters. Over time, Aetna accounts for an increasing number of weight loss claims (i.e., 5th place 1st quarter, 3rd place 2nd quarter, 2nd place 3rd quarter, and 1st place 4th quarter) but remains in 2nd position for diabetic drug claims over all quarters.