



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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May 9, 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

May 9, 2024

About DMAS and Medicaid

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

Medicaid spending and the number of claims for GLP1 weight loss drugs decreased over the 3rd and 4th quarters compared to the first half of calendar year 2023. Drug shortages for this drug class continues to limit access. Overall, spend and the number of claims for GLP1 diabetes medications decreased from Q2 to Q3 with a slight increase during Q4. The spend and number of claims for weight loss drugs has decreased each quarter since Q2.

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.

January 1, 2023 to December 31, 2023					* denotes preferred medication
FFS					
Brand Name	Generic Name	Unique members	Total Claims	Total Payment	
Weight loss medications					
Alli/ Orlistat /Xenical*	orlistat	2	5	\$ 3,306	
Contrave*	naltrexone bupropion	5	11	\$ 2,558	
Saxenda*	liraglutide	23	31	\$ 36,033	
Wegovy*	semaglutide	111	148	\$ 172,447	
Total Wt. Loss		139	190	\$ 211,037	
Diabetic Medication					
Bydureon Bcise	exenatide microspheres	2	5	\$ 3,306	
Byetta*	exenatide	1	1	\$ 805	
Mounjaro	tirzepatide	23	34	\$ 39,525	
Ozempic	semaglutide	89	120	\$ 124,854	
Rybelsus oral	semaglutide oral	9	9	\$ 16,096	
Trulicity*	dulaglutide	250	413	\$ 403,686	
Victoza*	liraglutide	45	54	\$ 50,783	
Total Diabetic GPL1		419	636	\$ 639,054	

January 1, 2023 to December 31, 2023					* denotes preferred medication
MCO					
Brand Name	Generic Name	Unique members	Total Claims	Total Payment	
Weight loss medications					
Contrave *	naltrexone HCl/bupropion HCl	219	321	\$160,358	
Alli/ Orlistat /Xenical*	orlistat	64	98	\$43,094	
Saxenda*	liraglutide	1,453	2,309	\$2,665,499	
Wegovy*	semaglutide	5,146	10,620	\$13,410,744	
Total Wt. Loss		6,882	13,348	\$16,279,695	

Brand Name		Unique members	Total Claims	Total Payment
Diabetic Medication				
Bydureon Bcise	exenatide microspheres	281	486	\$364,367
Byetta*	exenatide	288	391	\$352,595
Mounjaro	tirzepatide	4,632	7,457	\$6,723,958
Ozempic	semaglutide	12,526	20,251	\$16,628,113
Rybelsus oral	semaglutide oral	1,959	3,091	\$2,678,759
Trulicity*	dulaglutide	50,459	84,657	\$81,799,380
Victoza*	liraglutide	11,227	16,335	\$16,675,889
Total Diabetic GPL1		81,372	132,668	\$125,223,061

Utilization of Weight Loss and Diabetic Medications 2023*, **

Q1 2023					Q2 2023			
Summary	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)
FFS	\$58,739	\$87,111	52	148	\$75,274	\$103,747	66	164
MCO total	\$3,833,62	\$26,911,876	3,103	28,313	\$7,099,975	\$29,889,36	5,697	31,812
Total	\$3,892,36	\$26,998,987	3,155	28,461	\$7,175,249	\$29,993,11	5,763	31,976

Q3 2023					Q4 2023			
Summary	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)
FFS	\$51,005	\$222,958	49	323	\$31,309	\$224,175	31	317
MCO total	\$5,614,82	\$26,893,931	4,576	28,523	\$4,841,813	\$27,580,16	3,903	29,388
Total	\$5,665,82	\$27,116,889	4,623	28,843	\$4,873,122	\$27,804,34	3,934	29,705

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

** Spend and utilization is from reporting on 4/04/24 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 reporting period.