



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)

July 24, 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 the 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 Janet V. Kelly, Secretary of Health and Human Resources

Medicaid Expenditures for Diabetic and Weight Loss Drugs

A Report to the Virginia General Assembly

July 24, 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 two 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 Appropriations 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

During SFY24 Q3, total Medicaid spending for GLP-1 diabetes medication decreased from SFY24 Q2 with an increase in the number of claims. Medicaid spending for GLP-1 diabetes medication during SFY24 Q3 was higher than spending during SFY23 Q3 and SFY24 Q1 and the total number of claims was higher than SFY23 Q3, SFY24 Q1 and SFY24 Q2.

In March 2024, the FDA approved Wegovy for a new indication: reducing the risk of heart attacks, strokes and cardiovascular-related death in adults aged 45 and older. Drug shortages for this drug class continue to limit access.

Fee-For-Service (FFS)
SFY24 Q3 Total Expenditures for Diabetic and Weight Loss Drugs

**denotes preferred medication*

Weight Loss Medications				
Brand Name	Generic Name	Unique Members	Total Claims	Total Payment
Alli/ Orlistat /Xenical*	orlistat	3	6	\$ 3,945
Contrave	naltrexone bupropion	5	11	2,558
Imcivree (new)	setmelantotide acetate	0	0	-
Saxenda*	liraglutide	25	35	41,259
Wegovy*	semaglutide	133	184	211,619
Zepbound (new)	tirzepatide	9	11	7,631
Total Weight Loss		175	247	\$ 267,011

Diabetic GLP-1 Medications				
Brand Name	Generic Name	Unique Members	Total Claims	Total Payment
Bydureon Bcise (new)	exenatide microspheres	5	9	\$ 5,714
Byetta*	exenatide	1	1	805
Mounjaro	tirzepatide	46	70	53,107
pic	semaglutide	171	239	176,848
Rybelsus oral	semaglutide oral	23	26	19,954
Trulicity*	dulaglutide	455	811	541,270
Victoza*	liraglutide	80	102	63,096
Total Diabetic GLP-1		781	1,258	\$ 860,793

Managed Care Organizations (MCOs)
SFY24 Q3 Total Expenditures for Diabetic and Weight Loss Drugs
**denotes preferred medication*

Weight Loss Medications				
Brand Name	Generic Name	Unique Members	Total Claims	Total Payment
Alli/ Orlistat /Xenical*	orlistat	98	149	\$ 90,691
Contrave	naltrexone bupropion	280	553	274,126
Imcivree (new)	setmelantotide acetate	4	15	313,606
Saxenda*	liraglutide	1,214	2,829	3,231,050
Wegovy*	semaglutide	5,051	17,927	22,693,399
Zepbound (new)	tirzepatide	395	1,040	1,012,330
Total Weight Loss		7,042	22,513	\$ 27,615,201

Diabetic GLP-1 Medications				
Brand Name	Generic Name	Unique Members	Total Claims	Total Payment
Bydureon Bcise (new)	exenatide microspheres	115	511	\$ 383,056
Byetta*	exenatide	204	467	416,041
Mounjaro	tirzepatide	2,338	8,728	7,875,362
Ozempic	semaglutide	6,133	23,095	19,031,181
Rybelsus oral	semaglutide oral	974	3,513	3,067,802
Trulicity*	dulaglutide	21,653	93,890	90,929,376
Victoza*	liraglutide	6,132	17,503	16,941,475
Total Diabetic GLP-1		37,549	147,707	\$ 138,644,294

MCO drug pricing is proprietary data that DMAS does not have access to. For purposes of this report, MCO pricing is calculated with Shadow pricing using the DMAS FFS pricing algorithm.

Historical Utilization of Weight Loss and Diabetic Medications **

SFY23 Q3				
	Spend		Claims	
	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)
FFS	\$58,739	\$87,111	52	148
MCO	\$3,833,623	\$26,911,876	3,103	28,313
Total	\$3,892,362	\$26,998,987	3,155	28,461
SFY23 Q4				
	Spend		Claims	
	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)
FFS	\$75,274	\$103,747	66	164
MCO	\$7,099,975	\$29,889,368	5,697	31,812
Total	\$7,175,249	\$29,993,115	5,763	31,976
SFY24 Q1				
	Spend		Claims	
	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)
FFS	\$51,005	\$222,958	49	323
MCO	\$5,614,822	\$26,893,931	4,576	28,523
Total	\$5,665,826	\$27,116,889	4,623	28,843
SFY24 Q2				
	Spend		Claims	
	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)
FFS	\$30,395	\$233,499	29	313
MCO	\$4,912,286	\$27,597,375	3,977	29,407
Total	\$4,942,681	\$27,830,874	4,006	29,720
SFY24 Q3				
	Spend		Claims	
	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)
FFS	\$51,598	\$221,739	51	306
MCO	\$6,141,057	\$27,380,382	5,150	29,620
Total	\$6,192,655	\$27,602,121	5,201	29,926

** Spend and utilization is from reporting on 5/22/24 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.