



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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September 5, 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

September 5, 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

Utilization and expenditures for GLP-1 weight loss drugs continue to increase quarter over quarter. With the new FDA approved indication to reduce the risk of major cardiovascular events for Wegovy, DMAS expects that trend may continue to grow. Direct patient advertising campaigns by the pharmaceutical industry continue to drive increases in market share. The drugs are now readily available in the marketplace, elevating prior drug shortages.

Utilization and expenditures for GLP-1 diabetic drugs have stayed consistent over the last two quarters of SFY 2024.

In August 2024, DMAS has implemented the new Body Mass Index (BMI) criteria for weight loss GLP-1 medications as mandated by the General Assembly. DMAS will monitor utilization and expenditures to measure the impact of these changes.

Fee-For-Service (FFS)
SFY24 Q4 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	0	0	\$ 0
Contrave	naltrexone bupropion	0	0	0
Imcivree (new)	setmelantotide acetate	0	0	0
Saxenda*	liraglutide	2	4	5,231
Wegovy*	semaglutide	66	93	110,700
Zepbound (new)	tirzepatide	7	9	8,999
Total Weight Loss		175	247	\$ 124,930

Diabetic GLP-1 Medications				
Brand Name	Generic Name	Unique Members	Total Claims	Total Payment
Bydureon Bcise (new)	exenatide microspheres	0	0	\$ 0
Byetta*	exenatide	1	1	829
Mounjaro	tirzepatide	20	22	20,361
Ozempic	semaglutide	70	88	77,134
Rybelsus oral	semaglutide oral	8	13	8,880
Trulicity*	dulaglutide	198	278	218,633
Victoza*	liraglutide	23	23	12,814
Total Diabetic GLP-1		320	425	\$ 338,651

Managed Care Organizations (MCOs)**
SFY24 Q4 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	51	63	\$ 23,727
Contrave	naltrexone bupropion	0	0	0
Imcivree (new)	setmelantotide acetate	4	11	274,645
Saxenda*	liraglutide	277	496	571,729
Wegovy*	semaglutide	4,606	10,647	13,568,147
Zepbound (new)	tirzepatide	447	1,082	1,064,559
Total Weight Loss		5,385	12,299	\$ 15,502,807

Diabetic GLP-1 Medications				
Brand Name	Generic Name	Unique Members	Total Claims	Total Payment
Bydureon Bcise (new)	exenatide microspheres	54	110	\$ 88,034
Byetta*	exenatide	184	292	249,176
Mounjaro	tirzepatide	1,622	4,023	3,775,279
Ozempic	semaglutide	3,397	7,743	6,753,276
Rybelsus oral	semaglutide oral	410	870	785,246
Trulicity*	dulaglutide	12,561	27,437	26,740,118
Victoza*	liraglutide	3,296	4,803	3,307,590
Total Diabetic GLP-1		21,524	45,278	\$ 41,698,719

**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.

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	\$51,600	\$221,751	50	306
MCO	\$10,290,627	\$41,660,550	8,179	44,929
Total	\$10,342,227	\$41,882,301	8,229	45,235
SFY24 Q4				
	Spend		Claims	
	Wt. Loss	GLP-1 (DM)	Wt. Loss	GLP-1 (DM)
FFS	\$124,930	\$338,651	106	425
MCO	\$15,502,806	\$41,698,719	12299	45,278
Total	\$15,627,736	\$42,037,370	12,405	45,703

* Spend and utilization is from reporting on 8/19/24 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.