



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

JAN 07 2009

The Honorable Ulysses Currie
Chairman
Senate Budget and Taxation Committee
3 West Miller Senate Office Bldg.
Annapolis, MD 21401-1991

The Honorable Norman H. Conway
Chairman
House Appropriations Committee
121 House Office Bldg.
Annapolis, MD 21401-1991

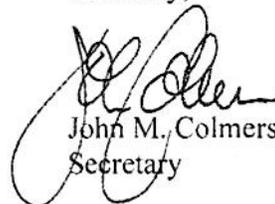
RE: 2008 Joint Chairmen's Report (P. 122) – Report on Co-Pays for HIV Drugs for HealthChoice Enrollees

Dear Chairmen Currie and Conway:

In keeping with the requirements of the 2008 Joint Chairmen's Report (p. 122), the Department is submitting the attached report on co-pays for HIV drugs for HealthChoice enrollees. At the Department's request, The Hilltop Institute at the University of Maryland, Baltimore County analyzed the use of HIV/AIDS drugs and whether charging co-pays for HIV/AIDS drugs prevents those in need from receiving drugs. The enclosed report finds that charging co-pays does not affect the utilization of HIV/AIDS drugs.

If you have questions or need more information about this subject, please contact Anne Hubbard, Director, Office of Governmental Affairs at (410) 767-6481.

Sincerely,



John M. Colmers
Secretary

Enclosure

cc: John Folkemer
James Johnson
Charles Lehman
Athos Alexandrou
Anne Hubbard



The Hilltop Institute



analysis to advance the health of vulnerable populations

Report on the Impact of HIV Drug Co-Pays for HealthChoice Enrollees

December 2008

In January 2008, the Maryland Department of Health and Mental Hygiene (Department) carved-out HIV/AIDS prescription drug coverage from the managed care benefit package. Among other things, the Department can negotiate significantly higher rebates for such drugs directly from the manufacturers, and the rebates outweigh the potential savings offered by the MCOs. As a result, these drugs are now provided through the fee-for-service program.

The Department assesses nominal pharmacy co-pays for prescriptions in its fee-for-service program – \$3 for brand-name or non-preferred drugs and \$1 for generic or preferred drugs. Currently, the co-pays for all HIV/AIDS drugs in the fee-for-service program are \$1. But these co-pays are subject to federal rules. These rules prevent pharmacies from denying Medicaid recipients access to prescription drugs for failure to pay co-pays. Under the HealthChoice program, the MCOs may elect to offer to their enrollees additional benefits beyond those required by the monthly capitation rates, including not charging co-pays (which six of the seven HealthChoiceMCOs have elected to do).

At the Department's request, The Hilltop Institute at the University of Maryland, Baltimore County (**Hilltop**) analyzed the use of HIV/AIDS¹ drugs and whether charging co-pays for HIV/AIDS drugs prevents those in need from receiving drugs.

The data suggest that charging co-pays does not affect the utilization of HIV/AIDS drugs.

Methodology

In order to assess the impact of the new co-payment requirements for HIV/AIDS drugs on HealthChoice enrollees, Hilltop identified a cohort of enrollees who met the following two criteria:

- Had an HIV/AIDS diagnosis and were assigned to a specific HIV/AIDS risk-adjusted capitation payment rate (rate cell) for the entire period of the study
- Had Medicaid eligibility for a specific period of time (6 months or 12 months)

After identifying the cohort, Hilltop applied a methodology to determine whether different drug dispensation patterns occurred in the periods prior to and following the implementation of the new co-payment requirements. For example, for enrollees in an HIV/AIDS rate cell for 12 continuous months, the Hilltop methodology examined the data to determine whether there was a difference in the use of HIV/AIDS drugs in the six months after the implementation of the new co-payments compared to the six months before the implementation of the new co-payments. This methodology ensured that Hilltop was able to compare drug dispensation patterns for the

¹ HIV/AIDS drugs are identified by therapeutic class "081808" Antiretrovirals. Hilltop identified the HIV/AIDS cohort by an individual's assignment to specific HIV/AIDS risk-adjusted capitation payment rate cells. HIV/AIDS drugs were identified by therapeutic class "081808" Antiretrovirals.

same enrollees over time, and thus provides a valid assessment of the impact of the implementation of the new co-payment requirements.

Aggregate Trends

Table I displays aggregate monthly utilization of HIV/AIDS drugs. These data indicate that utilization did not decrease after the co-payment requirement went into effect. There was a 6.1 percent increase in the total number of prescriptions dispensed after the implementation of the co-payment requirement. The number of recipients increased by only 0.7 percent, resulting in a 5.4 percent increase in prescriptions per person.

Table I. Monthly Comparison of HIV/AIDS Drugs Utilization, July 2007 - June 2008. Enrollees Were Identified by Assignment to Specific HIV or AIDS Risk-Adjusted Capitation Payment Rates; HIV/AIDS Drugs Were Defined by Therapeutic Class "081808" Antiretrovirals.

Month	# of Rx	Recipients	Ratio (Rx/Recips)
July	3,883	1,574	2.47
August	3,970	1,592	2.49
September	3,448	1,467	2.35
October	3,965	1,592	2.49
November	3,770	1,532	2.46
December	3,722	1,530	2.43
MONTHLY TOTALS	22,758	9,287	2.45
MONTHLY AVERAGE	3,793	1,548	2.45
January	4,124	1,622	2.54
February	3,834	1,568	2.45
March	3,939	1,584	2.49
April	4,140	1,650	2.51
May	3,508	1,344	2.61
June	4,604	1,585	2.90
MONTHLY TOTALS	24,149	9,353	2.58
MONTHLY AVERAGE	4,025	1,559	2.58

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