

July 17, 2015

Mr. Peter Gartrell
U.S. Senate Committee on Finance
Ranking Member Ron Wyden (Oregon)
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Gartrell:

The AHCCCS Administration submits the requested information in response to your July 8, 2015 correspondence requesting a list of the top 25 drugs ranked by total amount paid for calendar year 2014. The attached spreadsheet includes the following:

<u>Fields requested:</u>	<u>Field descriptions on the excel spreadsheet:</u>
Claim count	Number of Prescriptions
Wholesale acquisition price (WAC)	Health Plan Paid Amount
Drug quantity	Quantity Dispensed
Days of supply	Days Supply
The number of unique recipients	Distinct Members

The first and second tabs on the spreadsheet are the Top 25 Drug by Cost for the Fee-For-Service (FFS) and Managed Care Organizations (MCOs) respectively. The third and fourth tabs are the specific reports for Sovaldi and Harvoni for the Fee-For-Service and Managed Care Organizations (MCOs) respectively.

The current AHCCCS enrollment is 1,746,175 members. Of these members, 1,471,809 are enrolled in MCOs and 116,747 are in the FFS program. An additional 50,483 are in Medicare Savings Programs and 107,136 are in a program that provides emergency services only. Excluding the Medicare Savings Program and emergency services populations, 92.7% of the remainder of the AHCCCS population is enrolled in MCOs and 7.3% is in FFS.

You also requested additional information and the Administration's responses are below.

Has the state agreed to any supplemental rebate with Gilead for Sovaldi or Harvoni? If so, when?

Yes. The effective date of our agreements is January 1, 2015.

Also, many states have had to make special budget line items or other special provisions for Sovaldi and other new HCV drugs because of the cost. Has your agency had to make any special funding provisions that your state has had to request or adopt to cover the cost of these drugs?

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There was an existing \$15 million in the MCO capitation rates for treatments that Sovaldi and Harvoni are replacing. These dollars were left in the rates to cover a portion of the costs of Sovaldi and Harvoni. Arizona added an additional \$30 million in funding to the capitation rates to address the additional costs of Sovaldi and Harvoni, for total funding of \$45 million.

Lastly, is there any estimate of the number of HCV patients in the Medicaid program?

There are approximately eighteen thousand identified HCV patients within the AHCCCS program. It should be noted that the national consensus among health care professionals is the number of Hepatitis C patients is understated due to lack of testing.

In the event that you have additional questions, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Beltach', with a large, sweeping flourish extending to the right.

Thomas J. Beltach
Director