



Formulary Access for Patients with  
Hepatitis

# Hepatitis: Access to Medications for Hepatitis Is Governed Largely by Frequent Use of UM and Specialty Tiering

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## Classes Included:

- Antihepatitis Agents

## Coverage for Key Hepatitis Treatments:

- Exchange plans in 11 of the 12 states with the largest exchange enrollment cover an average of at least 23 of 31 hepatitis medicines
- Plan coverage of hepatitis drugs is above 75% in all states except five—Colorado, Florida, Idaho, New Mexico, and Utah

## Utilization Management for Hepatitis Treatments:

- While coverage of hepatitis drugs in 2016 exchange plans increased from 2015, so did the use of UM—up to 57% from 47% in 2015

## Tiering and Cost Sharing for Key Hepatitis Treatments:

- Exchange plans have cut specialty tier use for hepatitis agents from 54% in 2014 to 46% in 2016, but rates exceed employers' by 200%
- Plans use coinsurance about as often as they use copays for hepatitis medications, with copayments averaging \$96 and coinsurance averaging 35%

# Background on Avalere's PlanScape® and Methodology for Formulary Analysis

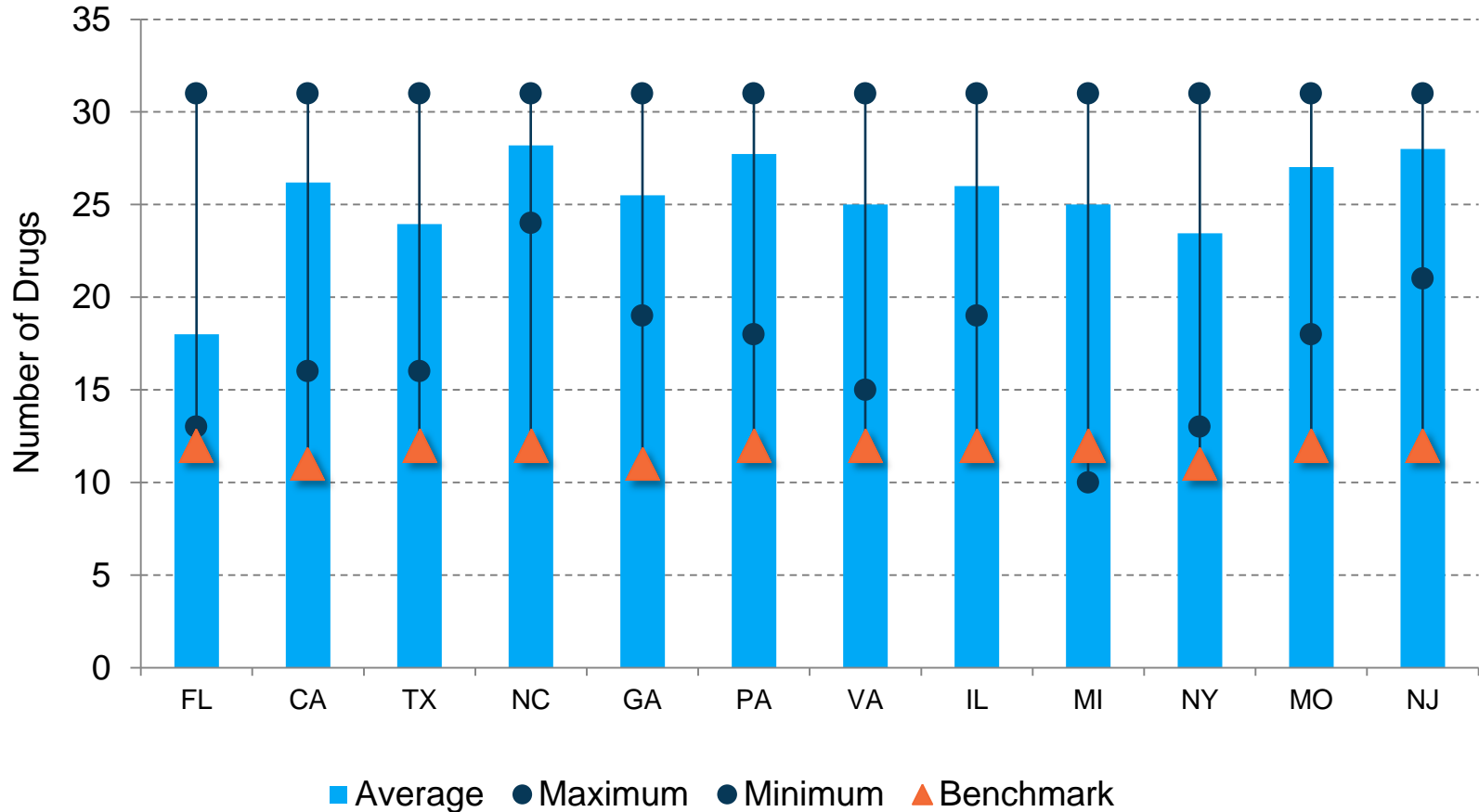
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## PlanScape® Methodology

- This analysis reviews formulary coverage in the exchanges, with comparisons to 2014, 2015, and other markets, including employer coverage.
- For each year, Avalere analyzed formularies for silver plans participating in all 50 states and the District of Columbia
- Analysis for each year uses the same 2016 drug list, but products launched after October 2014 are only included in calculations after they appear in the dataset
- Formulary data is collected by Managed Markets Insight & Technology, LLC.
- Data is weighted according to unique silver benefit designs by state.
- Analysis excludes plans in which the deductible is equal to the annual out-of-pocket maximum and plans for which there is no cost sharing across service categories.

# Exchange Plans in Top 12 States, Except Florida, Cover an Average of at Least 23 of 31 Hepatitis Drugs

NUMBER OF COVERED ANTIHEPATITIS AGENTS,  
SILVER EXCHANGE PLANS, 2016



Benchmark counts are based on unique chemical entities, while other coverage data counts each brand or generic drug individually. Note: Coverage is weighted according to unique plan-state combinations. Sample includes all silver plans offered in 50 states and the District of Columbia. Medical benefit drugs are included in drug counts.

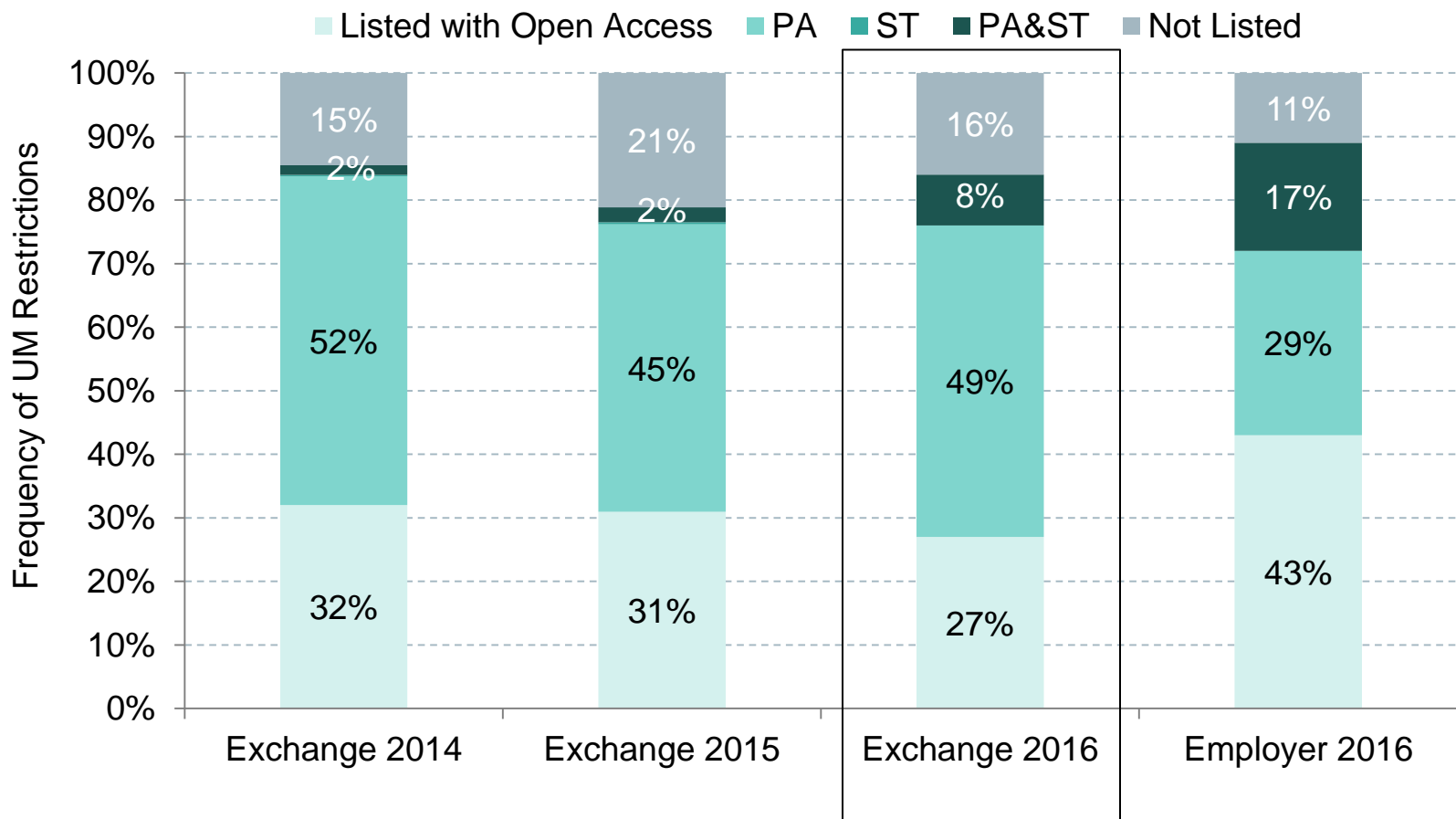
Source: Avalere Health PlanScape®, a proprietary analysis of exchange plan features, April 2016. This analysis is based on data collected by Managed Markets Insight & Technology, LLC.





# While Coverage of Hepatitis Drugs in 2016 Exchange Plans Increased from 2015, UM Rates Rose from 47% to 57%

## UTILIZATION MANAGEMENT TECHNIQUES FOR SINGLE-SOURCE HEPATITIS MEDICINES



PA: Prior Authorization; ST: Step Therapy; UM: Utilization Management

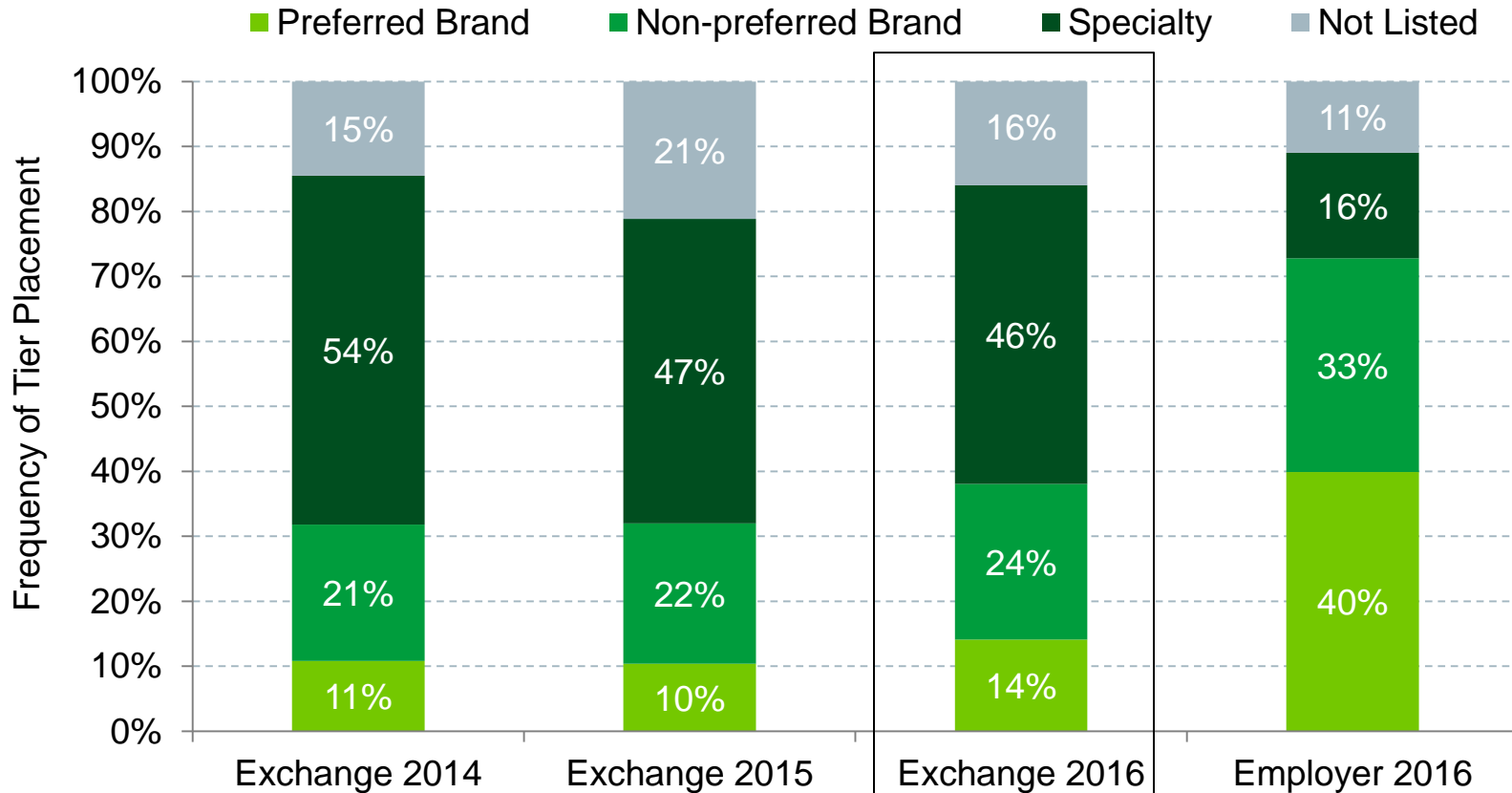
Note: Coverage is weighted according to unique plan-state combinations. Sample includes all silver plans offered in 50 states and the District of Columbia. For the purpose of this analysis, "coverage" means formulary inclusion. Avalere excluded physician-administered drugs from this analysis, except when comparing to state benchmark minimums.

Source: Avalere Health PlanScape®, a proprietary analysis of exchange plan features, April 2016. This analysis is based on data collected by Managed Markets Insight & Technology, LLC.



# Exchange Plans Have Cut Specialty Tier Use for Hepatitis Agents, But Rates Are Almost 3 Times that of Employers

## TIER PLACEMENT FOR SINGLE-SOURCE HEPATITIS MEDICINES IN SILVER EXCHANGE PLANS

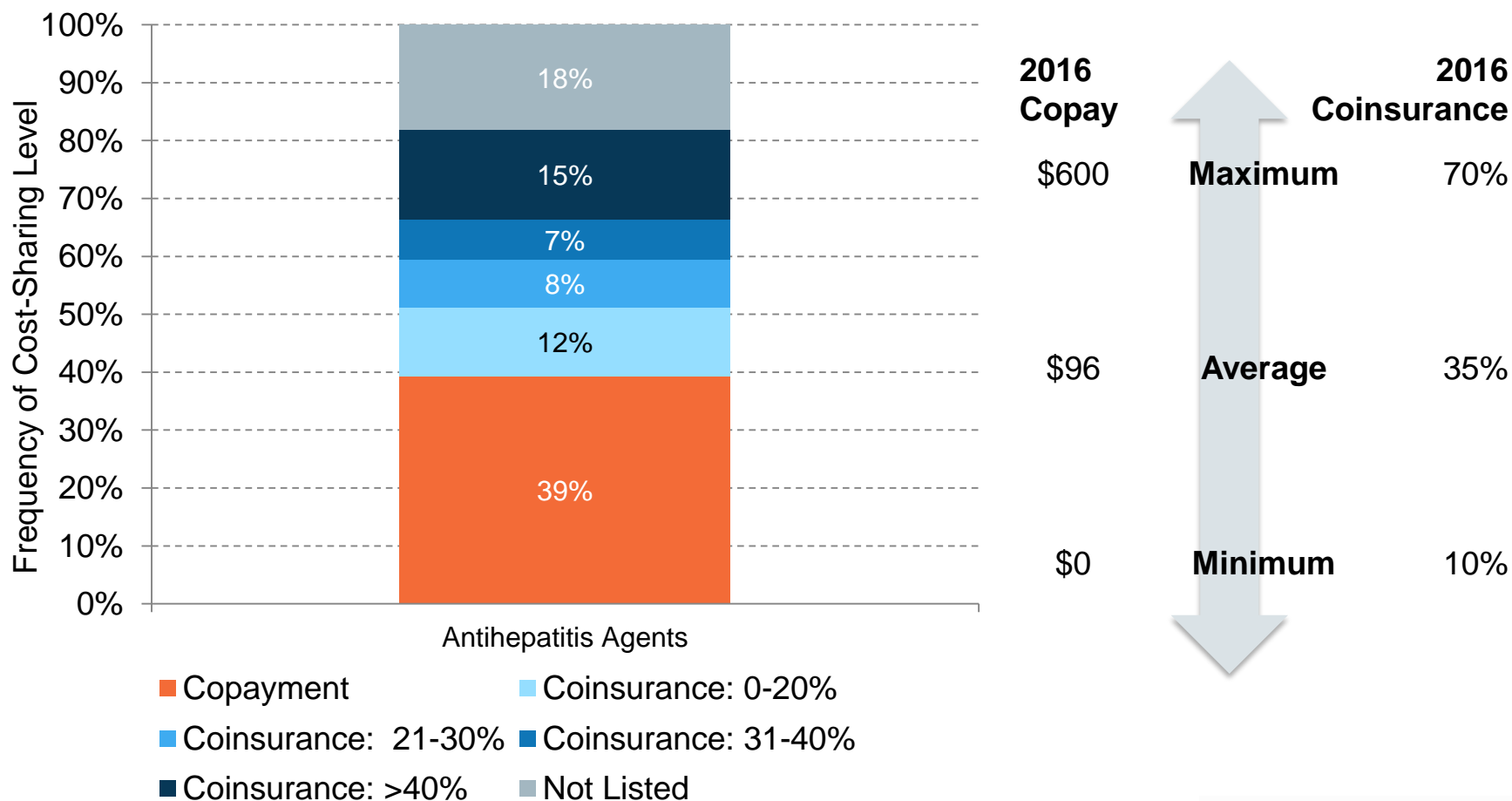


Note: Coverage is weighted according to unique plan-state combinations. Sample includes all silver plans offered in 50 states and the District of Columbia. MMIT uses universal tier status rather than “raw” tier numbers to facilitate comparisons across plans and markets. Avalere uses universal tier status for tiering analyses and raw tier status for cost-sharing analyses. Avalere excluded physician-administered drugs from this analysis, except when comparing to state benchmark minimums.  
 Source: Avalere Health PlanScape®, a proprietary analysis of exchange plan features, April 2016. This analysis is based on data collected by Managed Markets Insight & Technology, LLC.



# Plans Use Coinsurance for Hepatitis Agents About as Often as Copays, but Costs Within Each Vary Widely

## COST-SHARING LEVELS FOR SINGLE-SOURCE HEPATITIS MEDICINES, SILVER EXCHANGE PLANS



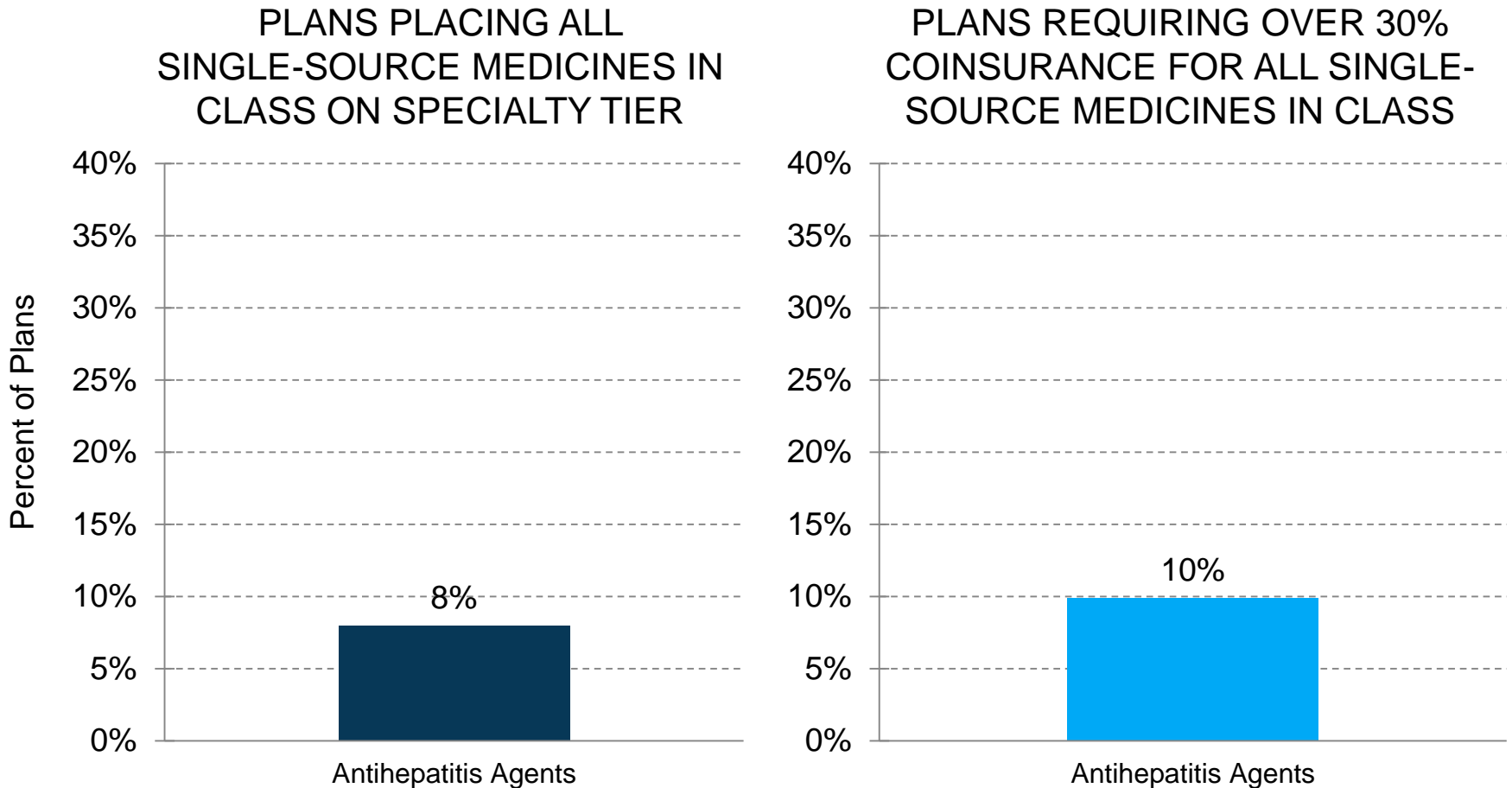
Note: Coverage is weighted according to unique plan-state combinations. Sample includes all silver plans offered in 50 states and the District of Columbia. Avalere excluded physician-administered drugs from this analysis, except when comparing to state benchmark minimums.

Source: Avalere Health PlanScape®, a proprietary analysis of exchange plan features, April 2016. This analysis is based on data collected by Managed Markets Insight & Technology, LLC. Excludes instances where cost-sharing amount is unknown.





# Few Exchange Plans Place All Single-Source Hepatitis Agents on Specialty Tier or Require High Coinsurance for All Single-Source Medicines in Class



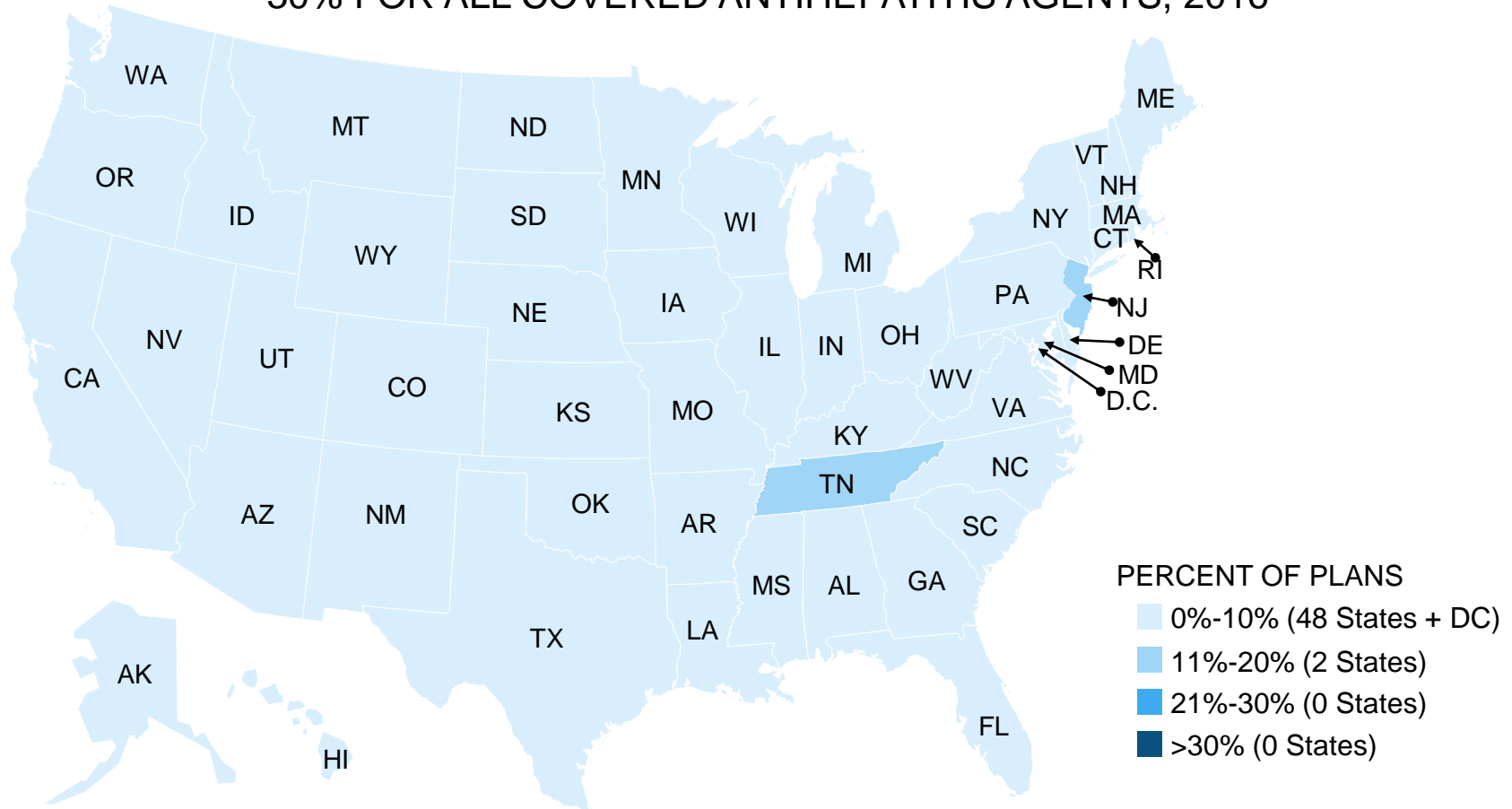
Note: Coverage is weighted according to unique plan-state combinations. Sample includes all silver plans offered in 50 states and the District of Columbia. MMIT uses universal tier status rather than “raw” tier numbers to facilitate comparisons across plans and markets. Avalere uses universal tier status for tiering analyses and raw tier status for cost-sharing analyses. Avalere excluded physician-administered drugs from this analysis, except when comparing to state benchmark minimums.

Source: Avalere Health PlanScape®, a proprietary analysis of exchange plan features, April 2016. This analysis is based on data collected by Managed Markets Insight & Technology, LLC.



# 10% or Fewer Plans in 46 States and DC Require Coinsurance Above 30% for All Covered Hepatitis Agents

## SILVER EXCHANGE PLANS REQUIRING COINSURANCE HIGHER THAN 30% FOR ALL COVERED ANTIHEPATITIS AGENTS, 2016



Note: Coverage is weighted according to unique plan-state combinations. Sample includes all silver plans offered in 50 states and the District of Columbia. MMIT uses universal tier status rather than “raw” tier numbers to facilitate comparisons across plans and markets. Avalere uses universal tier status for tiering analyses and raw tier status for cost-sharing analyses. Avalere excluded physician-administered drugs from this analysis, except when comparing to state benchmark minimums.

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## Methods Appendix

# PlanScape® Methodology: MMIT Data

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## FORMULARY DATA SOURCES

- Formulary data is from Managed Markets Insight & Technology, LLC, an Avalere partner that maintains comprehensive formulary data across a range of payer channels, including the exchanges and employer markets
- Formulary coverage is based on a drug's listing on the plan's published formulary in MMIT's database
  - MMIT gathers data directly from health plans and pharmacy benefit managers, ensuring the accuracy and validity of the formulary data. MMIT's pharmacists and clinicians interpret and standardize formularies
  - In addition, MMIT researchers engage with issuers to understand formulary characteristics, including processes around open and closed formularies, and to understand how plans make coverage decisions so that data reflects accurate consumer experiences for obtaining medications
- Formulary data is based on coverage in all 50 states and DC as of October 2014, October 2015, and April 2016; note that formularies may change throughout the year
- Due to data limitations, 2014 exchange data excludes United Healthcare in NY; 2015 exchange data excludes Health Alliance One in GA; and 2016 exchange data excludes SelectHealth in ID; Health New England in MA; Colorado Choice Health Plans in CO; Minuteman Health in NH; Health Choice in AZ; and Oscar in TX.

# PlanScape® Methodology: Benefit Design Dataset

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## STATES OF FOCUS AND DATA COLLECTION

- For plan benefit designs, Avalere analyzed the FFE landscape file and collected information directly from SBE websites. For 2014 and 2015, Avalere supplemented our SBE data collection with benefit design information from the Robert Wood Johnson Foundation's ACA Silver Plan Dataset
- For SBEs, Avalere collected information for one ZIP code for each rating region<sup>1</sup>
- Avalere made revisions to the FFE landscape file to ensure that only unique plan designs were included in the analysis. That is, duplicate offerings of individual plans were removed prior to analysis when plans shared all benefit design characteristics except premium, county, and region

<sup>1</sup> The data for SBEs may not include all plans available since as Avalere only collected information for one ZIP code in each rating region. The same ZIP codes were used in each year for the plan searches.

# PlanScape® Methodology: Drug List Creation and Cross-Walking Process

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## DRUG LIST CREATION

- To develop the list of drugs per class, Avalere consulted the United States Pharmacopeia (USP) Medicare Model Guidelines v5.0 to obtain a listing of the USP Category, USP Class, and Example Drugs
- Additional drugs were identified based on the USP Model v6.0 guidelines, Medi-Span®, and CenterWatch drug databases and internal clinical assessment to reflect updates not reflected in USP v 5.0
- Avalere collaborated with MMIT clinicians and data experts to finalize drug lists according to client-selected USP classes

## CROSS-WALKING PROCESS

- Oftentimes, carriers will use the same formulary for all of the exchange plans it offers in a state, but occasionally, issuers will have different formularies if they have more than one exchange plan in the state
- Avalere conducted a manual cross-walking process to align formularies with exchange products using plan documents and other publicly-available plan information
- As a result of this process, exchange plans in the analysis are weighted according to unique silver plans in the market

# PlanScape® Methodology: Coverage Statistics and Tiering Data

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## COVERAGE AND UM

- Although some drugs are covered under a plan's medical benefit, Avalere only includes pharmacy-benefit statistics in this analysis, with the exception of where we compare data to benchmarks
- For drugs available in multiple dosages, MMIT's database utilizes the most commonly utilized dosage
- Coverage and UM statistics are weighted by unique plan-state combinations
- Utilization management data captured includes prior authorization and step therapy, but does not reflect quantity limits

## TIERING

- MMIT captures raw status (tier number) and assigns a "universal" tier status, which standardizes formularies into four tiers: generic, preferred brand, non-preferred brand, and specialty
- For the purpose of reporting tiering statistics in this analysis, Avalere used MMIT's universal indicator, as formulary structure varies across plans and universal status allows for easy analysis of drugs within the market
- In contrast, for cost-sharing data, Avalere uses raw tiering information. Avalere excludes cases where raw tiering information is unavailable
- Tiering statistics are weighted by unique plan-state combinations

# PlanScape® Methodology: Cost Sharing Methodology

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## COST-SHARING DATA AND APPROACH

- Because the MMIT dataset does not include cost sharing, Avalere cross-walked MMIT formulary data to its benefit design dataset. The benefit design dataset excludes plans in which the deductible is equal to the annual out-of-pocket maximum, and plans for which there is no cost sharing across service categories
- Summary of Benefits and Coverage documents may relay multiple cost-sharing amounts for a particular formulary tier. Our analysis reflects the highest cost-sharing amount reported for that tier for a 30-day supply purchased at a retail pharmacy
  - Where cost sharing varies based on choice of pharmacy, we selected cost-sharing amounts that apply to preferred pharmacies within a plan's network
- Avalere utilized after-deductible amounts when analyzing cost-sharing categories (e.g., if coinsurance is 10% after meeting a \$1,000 deductible, when analyzing costs for the service, Avalere used the 10% coinsurance amount)
- For drugs or services noting cost sharing as the lesser or greater of a copayment or coinsurance amount, Avalere consistently used the coinsurance amount (e.g., \$100 or 20% whichever is greater). For drugs or services with coinsurance amounts up to a copayment cap (e.g., 25% coinsurance up to \$300), Avalere used the coinsurance amounts



# PlanScape® Methodology: Comparison Markets

## PLAN AND FORMULARY COUNTS

- Exchange data is presented at the plan level, representing each carrier's unique benefit designs offered in a state
  - Carriers often use the same formulary for multiple plans (i.e., cost sharing varies by plan, but coverage, tiering, and UM do not)
  - Therefore, each individual exchange formulary may be counted more than once, based on the number of unique plans (i.e., cost-sharing designs) relying on that formulary
- In contrast, employer data is reported at the formulary level; each formulary counts once in the dataset regardless of the number of cost-sharing designs using that formulary

Market	Plans	Formularies	States
Exchange	1,571	249	51
Employer	9,079	569	51

Note: **Orange** numbers indicate counts used in analysis.