

Blood Factor Utilization

Blood Factor Utilization	FY12	FY13	FY14	FY15	FY16	FY17
Average Spend Per User Per Month	\$35,000	\$30,000	\$24,600	\$15,400	\$15,800	\$12,200
Average Units Dispensed Per User Per Month	30,700	29,300	26,500	16,400	16,000	11,500
Average Spend Per Blood Factor Unit Reimbursed	\$1.14	\$1.03	\$0.93	\$0.94	\$0.99	\$1.07
Total Blood Factor Spend*	\$43.0M	\$39.2	\$30.5M	\$27.0M	\$19.5M	\$18.6M

The Hemophilia Care Management Program became effective August 1, 2012. The State Fiscal Year runs from July 1 through June 30.

*Some reduction in total spend may result from patients shifting to managed care.

As a result of Public Act 097-0689 (the SMART ACT), the Department developed and implemented the Hemophilia Care Management Program in an effort to ensure appropriate utilization of blood factor, and to ensure that beneficiaries with hemophilia are connected with a Hemophilia Treatment Center (HTC) so that they may receive the specialized care available through HTCs. Through routine utilization review, the department had determined that patients filling blood factor were receiving more blood factor product than was medically necessary.

Effective August 1, 2012, in order to dispense blood factor to Medicaid clients, providers were required to sign a Standards of Care Agreement (SOCA) and have it on file with the Department. Claims from providers without a signed SOCA will reject.

In response to continuing blood factor utilization issues in the community, the Department began further management of utilization through the implementation of a prior approval (PA) requirement on December 10, 2012. PA allows department staff to review planned dispensing of factor each time before a pharmacy dispenses. Staff takes into account any missed doses or unused bleed doses previously dispensed, so that the pharmacy dispenses only the amount of blood factor necessary for the client at the time of dispensing.

Effective April 1, 2013, in order to address some ongoing concerns raised by the provider community and to address new issues the Department had observed since implementation of the original SOCA, a revised SOCA was implemented by the Department.

August 1, 2014, the department began using newly available acquisition cost data to re-price blood factor. Prior to that time, it had been difficult to obtain accurate acquisition cost data. Through this initiative, the department has reduced the average unit cost from \$1.14 per unit to \$0.93 per unit. This re-pricing has resulted in a savings of \$8.7M during FY'14, \$3.5M in FY'15 and \$7.5M in FY'16.

Current per unit cost increases may be attributed to new long acting blood factor products entering the market. There has been an unprecedented increase in new blood factor products in the last two years. An increased use of the newer blood factor causes an increase in per unit cost but on average a decrease in prescription cost overall.

The Department continues to manage the utilization and care of beneficiaries with a hemophilia diagnosis through the use of the SOCA and Prior Approval policies.