From:	Barr, Adam L (24425)
To:	ETF SMB Board Feedback
Cc:	Moody, David
Subject:	Updating Cost Analysis for AOM Coverage
Date:	Monday, February 12, 2024 10:00:52 AM
Attachments:	image001.png image002.png image003.png image004.png image005.png

---

Group Insurance Board Members,

Thank you for the time you have taken over the past two years to consider adding anti-obesity medication as a covered pharmacy benefit for members of the GHIP. Novo Nordisk believes coverage of AOMs will improve health outcomes and lower the risk of developing chronic conditions like heart disease, diabetes, and certain types of cancer. Employers around the country are increasingly seeing the benefits of coverage, and are including AOMs in their benefits packages, with coverage expected to double this year. We hope to see government employees in the state of Wisconsin get access to a benefit that more and more employees in the private sector are obtaining.

In advance of the November GIB meeting, we met with Eileen Mallow and Tricia Sieg to discuss the cost projections that Novo Nordisk submitted to the GIB in advance of the May 2023 meeting. We were heartened a week later to hear at the November board meeting that ETF staff had requested an updated cost analysis from Segal. The request was said to focus on two of the things that we discussed with staff during our November meeting, the results of the SELECT trial and the FDA approval of Zepbound. Given the request made of Segal, we contacted ETF staff in December to share additional inputs that could further refine Segal's cost analysis. **It is our hope that the inclusion of these inputs will lead ETF to our conclusion that cost neutrality can be nearly achieved as early as year two, with cost savings by year three, well within the statutory constraints of s. 40.03(6)(c).** That statute merely states that GIB benefit changes must "maintain or reduce premium costs for the state or its employees in the current or any future year." As you know, bariatric surgery had a cost recovery estimate of 30 months when the GIB made that benefit change. We look forward to seeing Segal's cost analysis report and observing the discussion at the February GIB meeting.

The additional input suggestions we communicated to ETF:

- Utilization management strategies should be employed to control costs and optimize resources. For maximum efficacy, it's important to require a comprehensive weight-management program that encourages behavioral modification, a reduced calorie diet, increased physical activity, and the medication to ensure a long-term healthy lifestyle.

Coverage requirements can even be set to prioritize the medications for those who need it most.

- If the cost analysis were modeled after product uptake trends, a more representative sample of medications could provide a clearer picture of expected costs. For example, based on the IQVIA Plantrak data from December 8th, 2022, through November 24th, 2023, an estimated 1,500 GHIP members received generic phentermine, 90-100 received the branded injection, and 35-40 received the oral branded obesity products.
- Basing the analysis off actual annual fill rates of less than 6 for branded injections, less than 4 for branded oral medications, and 3 ½ for generic phentermine, would lead to a more realistic projection. Based on duration of therapy analysis for covered brand and generic utilization, it would be feasible to predict 60% of patients would receive the branded injection, 4% to receive the branded oral, and 36% to receive the generic phentermine.
- We modeled out the results of the Ding study past two years to identify the cost savings in year three. It should be noted that Wegovy wasn't on the market at the time of the study, meaning the results utilize older less effective medications, and as such the savings estimates are conservative.

Adam L. Barr*
Principal
T 608.283.4425 | **M** 202.642.7068
adam.barr@michaelbest.com | bio

Michael Best
Michael Best Strategies LLC
www.michaelbest.com

*Michael Best professional not admitted to practice law