

Hepatitis C Medication Market Share Progression in Medicaid

5 Slide Series, Volume 58

March 2018

The Menges Group

Strategic Health Policy & Care Coordination Consulting

Introduction and Overview of Hepatitis C Drug Progression

- In this 5-slide series, we analyzed the national Medicaid volume, expenditures, and cost per prescription for each Hepatitis C curative drug introduced since 2013. All of our analyses were conducted on a calendar-year and pre-rebate basis.
- The curative drugs we analyzed included Harvoni, Mavyret, Sovaldi, Viekira Pak, and Zepatier. While this edition focuses on the national annual trends for these drugs, this Medicaid information is available on a state and calendar quarter basis for all drugs.
- The chart below conveys the overall progression of Hepatitis C drug utilization and pre-rebate expenditures. While Hepatitis C drug utilization and expenditures increased each year from 2014-2016, there was a considerable decline in utilization and expenditures in 2017.

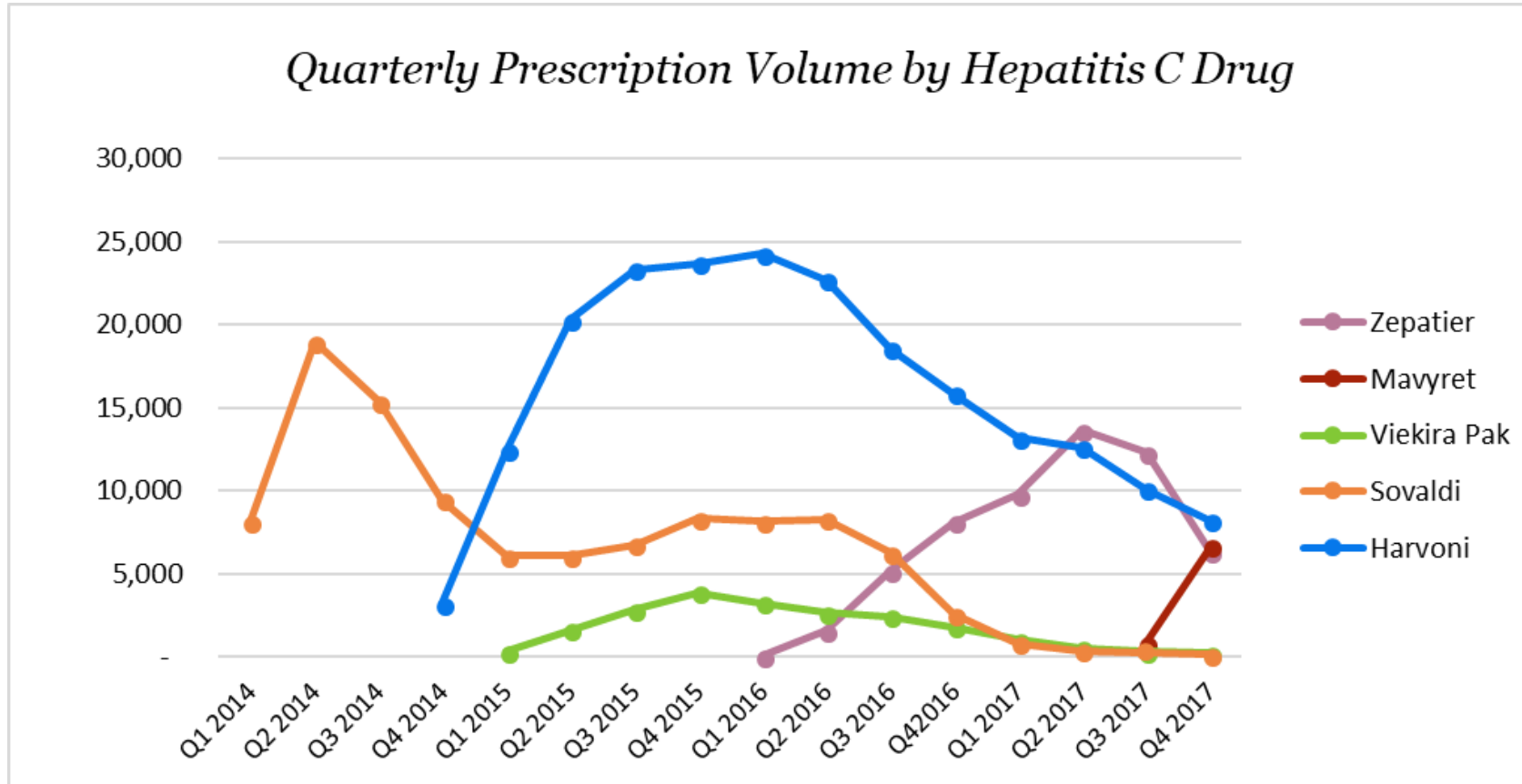
	National Medicaid Prescription Volume				Pre-Rebate Medicaid Expenditures			
	CY2014	CY2015	CY2016	CY2017	CY2014	CY2015	CY2016	CY2017
Total	55,072	115,554	131,503	97,130	\$1,514,039,526	\$3,014,491,455	\$3,305,947,252	\$2,064,286,711
Percent Change from Prior Year	NA	109.8%	13.8%	-26.1%	NA	99.1%	9.7%	-37.6%

Share of National Medicaid Prescription Volume by Hepatitis C Drug

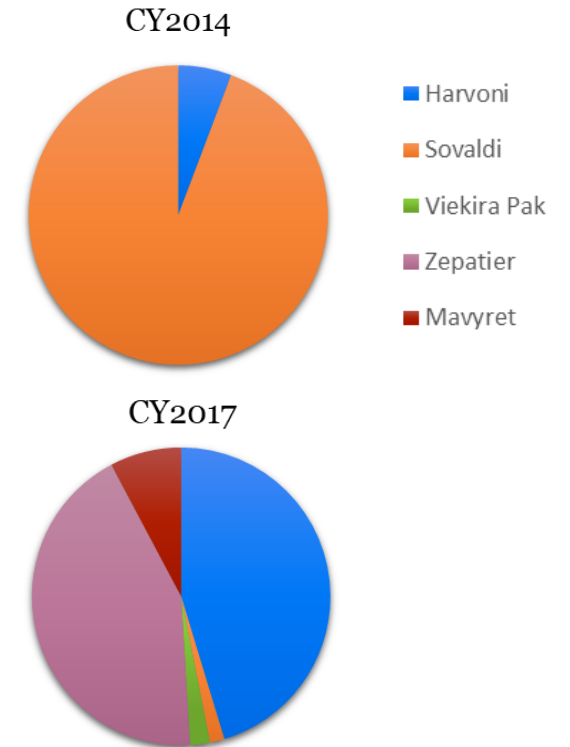
- Sovaldi was initially the lone curative drug available. However, its volume decreased sharply after the introduction of alternative Hepatitis C medications.
- Since 2015, Harvoni has held the highest national market share of Hepatitis C drugs.
- There has been a significant increase in the market share for the lower cost-per-unit drug, Zepatier, since its introduction.
- Mavyret was introduced in August 2017 with the lowest pre-rebate cost per unit of all curative Hepatitis C drugs. While its market share is modest across CY2017, Mavyret has experienced significant growth.

Drug Name	Share of National Medicaid Prescription Volume				Annual Percentage Point Change in Prescription Volume		
	CY2014	CY2015	CY2016	CY2017	% Change CY2014- CY2015	% Change CY2015- CY2016	% Change CY2016- CY2017
Harvoni	5.8%	69.0%	61.9%	45.3%	63.2%	-7.1%	-16.5%
Sovaldi	94.2%	23.6%	19.1%	1.6%	-70.7%	-4.4%	-17.6%
Viekira Pak	0.0%	7.4%	7.7%	2.1%	7.4%	0.2%	-5.5%
Zepatier	0.0%	0.0%	11.3%	43.2%	0.0%	11.3%	31.9%
Mavyret	0.0%	0.0%	0.0%	7.7%	0.0%	0.0%	7.7%
Total	100.0%	100.0%	100.0%	100.0%	NA	NA	NA

Progression of National Medicaid Prescription Volume by Hepatitis C Drug



Evolution of Percent Share of Hepatitis C Prescriptions



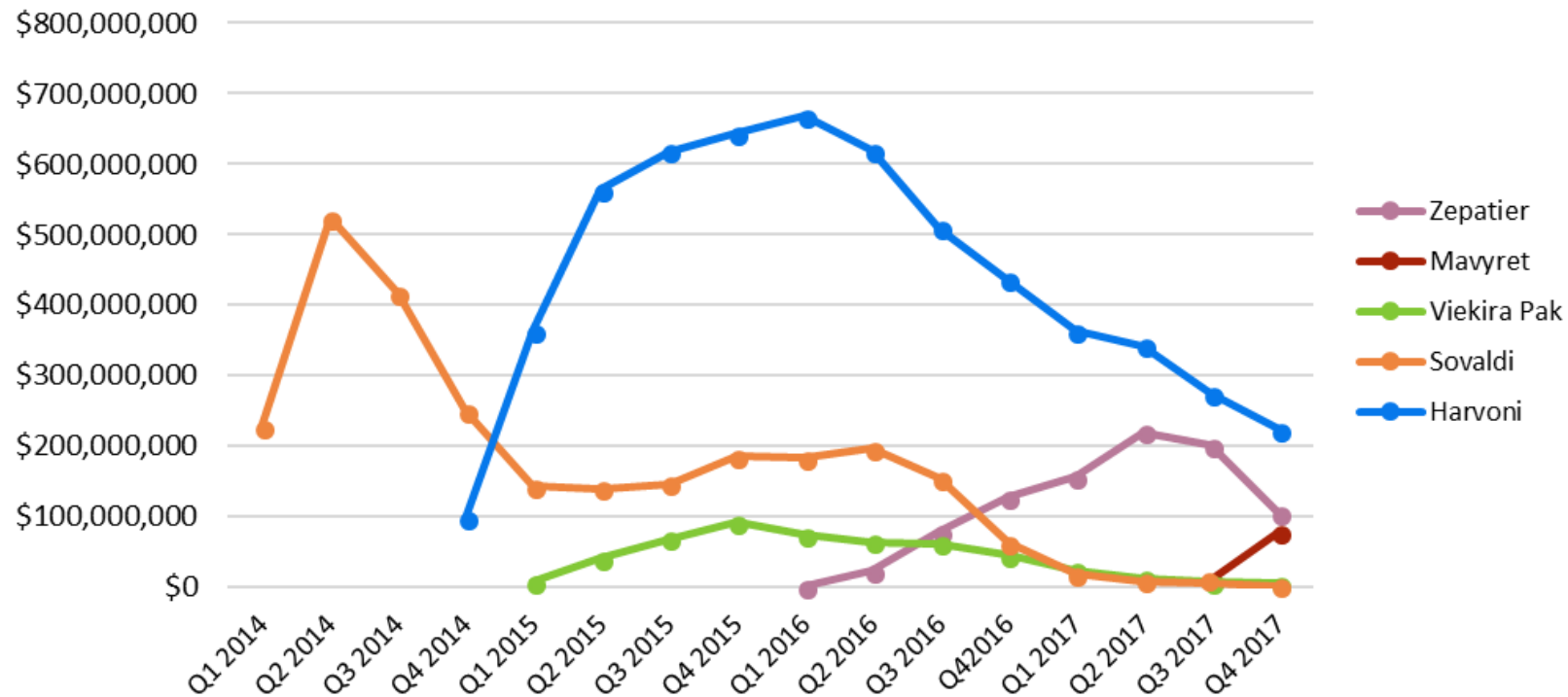
Share of National Medicaid Pre-Rebate Expenditures by Hepatitis C Drug

- The change in share of prescription expenditures followed the same trends as the prescription volume. However, because of the lower unit cost of Zepatier, the significant increase in utilization of Zepatier did not result in an equally large increase in the share of expenditures.

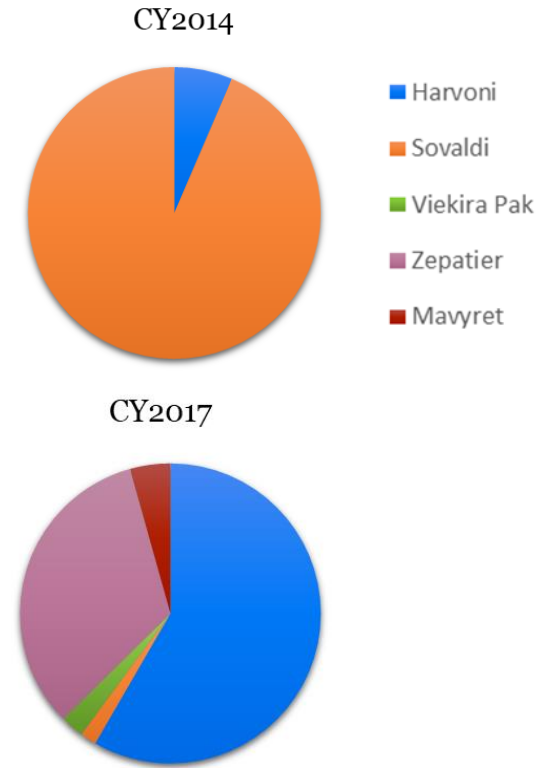
Drug Name	Share of National Medicaid Prescription Expenditures				Annual Percentage Point Change in Prescription Expenditures		
	CY2014	CY2015	CY2016	CY2017	% Change CY2014- CY2015	% Change CY2015- CY2016	% Change CY2016- CY2017
Harvoni	6.4%	72.6%	67.5%	58.3%	66.2%	-5.1%	-9.2%
Sovaldi	93.6%	20.4%	18.1%	1.7%	-73.1%	-2.3%	-16.4%
Viekira Pak	0.0%	7.0%	7.4%	2.5%	7.0%	0.5%	-4.9%
Zepatier	0.0%	0.0%	7.0%	33.1%	0.0%	7.0%	26.1%
Mavyret	0.0%	0.0%	0.0%	4.3%	0.0%	0.0%	4.3%
Total	100.0%	100.0%	100.0%	100.0%	NA	NA	NA

Progression of National Medicaid Prescription Pre-Rebate Expenditures by Hepatitis C Drug

Quarterly Prescription Expenditures by Hepatitis C Drug



Evolution of Percent Share of Hepatitis C Prescription Expenditures



National Progression of Medicaid Cost Per Unit for each Curative Hepatitis C Drug

- The below chart conveys the cost per unit progression of each Hepatitis C curative drug. All price and cost figures are pre-rebate; the rebates for these drugs are not public information.
- Sovaldi, Harvoni, and Viekira Pak were introduced at relatively similar price points around \$1,000/pill.
- Zepatier was introduced during 2016 at a price approximately 35% below the three existing competitors.
- Unit prices for Sovaldi and Harvoni have decreased – but only modestly – since their introduction.
- Mavyret was introduced during 2017 at a cost per pill approximately one-fourth that of Harvoni, Sovaldi, and Viekira Pak – and at less than half the cost of Zepatier.

Drug Name	Cost Per Unit				Annual Percent Change in Cost Per Unit			
	CY2014	CY2015	CY2016	CY2017	% Change CY2014-CY2015	% Change CY2015-CY2016	% Change CY2016-CY2017	% Change CY2014-CY2017
Zepatier	N/A	N/A	\$645	\$642	N/A	N/A	-0.5%	N/A
Mavyret	N/A	N/A	N/A	\$257	N/A	N/A	N/A	N/A
Viekira Pak	N/A	\$1,005	\$996	\$982	N/A	-0.9%	-1.4%	N/A
Sovaldi	\$1,020	\$976	\$990	\$967	-4.3%	1.4%	-2.2%	-5.2%
Harvoni	\$1,141	\$1,134	\$1,127	\$1,083	-0.5%	-0.6%	-4.0%	-5.1%

Hepatitis C Market Share Differs Considerably Between the Medicaid MCO and Medicaid FFS Settings

- In the Medicaid FFS setting, Harvoni remained the prescription volume leader as of Q4 2017 with 53% market share.
- Medicaid MCOs have substituted other products for Harvoni extensively. As of Q4 2017, Zepatier held 40% market share in MCOs, while Harvoni only held 27% market share. Mavyret, despite being on the market for only a few months, surpassed Harvoni in Q4 2017 MCO prescription volume.

Q4 2017 Market Share Within Medicaid Payment Setting			
Drug Name	MCO	FFS	All Medicaid
Zepatier	39.8%	15.7%	29.2%
Mavyret	32.1%	29.7%	31.0%
Viekira Pak	0.8%	1.5%	1.1%
Sovaldi	0.6%	0.4%	0.5%
Harvoni	26.8%	52.7%	38.1%
Total	100.0%	100.0%	100.0%

5 Slide Series Overview

Our 5 Slide Series is a monthly publication whereby we briefly discuss/address a selected topic outside the confines of our client engagements.

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Address: 4001 9th Street N., Suite 227, Arlington, VA 22203

Website: www.themengessgroup.com