

SB 331 PAIN MEDICATION AMENDMENTS (Weiler, Todd)

Anticipated Fiscal Impact: \$399,135 or \$0.54 Per Member Per Month

SB 331 requires a health plan to give preferred status to all nonopioid analgesia drugs if the plan gives preferred status to any opioid or narcotic drug. Preferred status includes placing a drug on lower cost sharing tiers for the purpose of financially encouraging plan members to select it. Preferred status also includes not applying utilization management tools, like step therapy and prior authorization.

Currently, PEHP's average per pill cost for covered opioid and narcotic drugs is about \$0.30. The state employee health plan pays for the equivalent of about 902,000 opioid/narcotic pills per year, which amounts to about \$270,600 in total.

PEHP is aware of the recent introduction of a new nonopioid analgesia drug to the market called Journavex. The per pill cost of this drug is about \$18 or about 60 times higher than the average per pill cost of covered opioid/narcotic drugs. If that drug were to gain preferred status as a result of this bill, PEHP would conservatively expect a three-year migration trend to Journavex of approximately 1%, 2.5%, and 5%, with 2.5% as the average. This migration away from \$0.30 per pill drug to a \$18 per bill drug would result in an average cost increase to the state employee health insurance plan of \$399,135 per year.

ANTICIPATED FISCAL IMPACT ON EDUCATION AND LOCAL GOVERNMENT ENTITIES – PEHP would expect \$.54 Per Member Per Month Impact

Pursuant to Utah Code Ann. 31A-22-605.5(2)(b) and (3) – a health insurance mandate shall apply to health coverage offered in the state risk pool, public school districts, charter schools and institutions of higher education. The same PMPM fiscal impact would be applicable to each of these entities covered by PEHP. PEHP does not cover every public school district, charter school or institution of higher education in the state. Some public entity employees are insured through private insurance carriers. The fiscal effect on the PEHP covered public entities would be:

- State risk pool, excluding state, but including higher education (Weber St, USU Eastern, Snow, Utah Tech, and technical colleges) - \$0.54 PMPM x 12,958 members = \$83,968 per year
- Public School districts and charter schools - \$0.54 PMPM x 32,026 members = \$207,528 per year

- Local Governments – $\$0.54 \text{ PMPM} \times 52,164 \text{ members} = \$338,023$ per year
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