

Bill Summary

AB 1843 would prohibit prior authorization for direct-acting antiviral (DAA) medications that are medically necessary for the treatment of hepatitis C.

How Effective are DAAs

Very strong evidence that DAAs cure hepatitis C

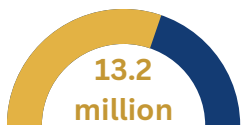
Strong evidence that DAAs improve health outcomes

Strong evidence that there is no difference in effectiveness among DAAs

Some evidence that removing prior authorization leads to increased utilization of DAAs

Insurance Subject to the Mandate

Of 22.8M enrollees in state-regulated health insurance in California...



enrollees would have a pharmacy benefit subject to AB 1843.

CDI and DMHC-regulated (Commercial and CalPERS)

Medi-Cal Rx

California Health Benefits Review Program (CHBRP), Assembly Bill (AB), California Department of Insurance (CDI), California Department of Managed Health Care (DMHC), Direct-acting antiviral (DAA)

Context

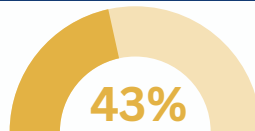
Hepatitis C is a liver disease caused by infection from the hepatitis C virus, which can cause liver complications (cirrhosis and cancer), non-liver-related complications, and premature death.



Hepatitis C can be cured by DAAs, which are oral medications typically taken for 8-12 weeks. DAAs have a 95% cure rate.

Clinical guidelines were recently updated to state treatment can be delivered without pretreatment assessments and by non-specialist clinicians

Benefit Coverage and Expenditures Impacts



At baseline, 43% of enrollees are in plans/policies that have prior authorization requirements for DAAs

Baseline: Of 3,423 enrollees with hepatitis C with prior authorization requirements, 10% use DAAs.

Postmandate: +34 enrollees would use DAAs



\$33,000 unit cost per course of DAA treatment, \$1,094 enrollee cost sharing



\$708,000 increase in annual premiums paid by employers and enrollees



\$40,000 annual decrease in cost sharing for DAA users



\$7,650 annual reduction in costs from untreated hepatitis C per new user



\$500,000 in cost offsets from avoided clinical complications and unnecessary pretreatment assessments

Public Health Impacts

No measurable public health impact due to small increase in utilization. Improved health and quality of life for enrollees newly using DAAs and enrollees avoiding unnecessary pretreatment assessments. Other barriers such as cost sharing and access to screening and treatment may remain.



Long-Term Impacts

Removal of prior authorization, along with the recent updates to treatment guidelines → increased access to DAA treatments and cure