

Public Employees Benefits Board Meeting

June 19, 2019

Public Employees Benefits Board

June 19, 2019

1:30 p.m. – 4:00 p.m.

Health Care Authority
Sue Crystal A & B
626 8th Avenue SE
Olympia, Washington

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TAB 1

AGENDA

Public Employees Benefits Board
June 19, 2019
1:30 p.m. – 4:00 p.m.

Health Care Authority
Cherry Street Plaza
Sue Crystal Rooms A & B
626 8th Avenue SE
Olympia, WA 98501

Call-in Number: 1-888-407-5039

Participant PIN Code: 95587891

1:30 p.m.*	Welcome and Introductions		Lou McDermott, Chair Pro Tem	
1:40 p.m.	Meeting Overview		Dave Iseminger, Director Employees and Retirees Benefits (ERB) Division	Information
1:50 p.m.	June 5, 2019 Meeting Follow Up		Dave Iseminger, Director, ERB Division	Information
2:00 p.m.	2020 Rates Overview	TAB 3	Tanya Deuel, ERB Finance Manager, Financial Services Division Beth Heston, PEBB Program Procurement Manager, ERB Division	Information/ Discussion
3:05 p.m.	Eligibility and Enrollment Policy Development	TAB 4	Rob Parkman, Rules and Policy Coordinator, ERB	Information/ Discussion
3:20 p.m.	Emerging Medications	TAB 5	Ryan Pistoressi, Assistant Chief Pharmacy Officer, Clinical Quality and Care Transformation	Information/ Discussion
3:40 p.m.	Public Comment			
4:00 p.m.	Adjourn			

***All Times Approximate**

The Public Employees Benefits Board will meet Wednesday, June 19, 2019, at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. The Board will consider all matters on the agenda plus any items that may normally come before them.

This notice is pursuant to the requirements of the Open Public Meeting Act, Chapter 42.30 RCW.

Direct e-mail to: board@hca.wa.gov. Materials posted at: <http://www.pebb.hca.wa.gov/board/> no later than close of business on June 17, 2019.

PEB Board Members

Name	Representing
Sue Birch, Director Health Care Authority 626 8 th Ave SE PO Box 42713 Olympia WA 98504-2713 V 360-725-2104 sue.birch@hca.wa.gov	Chair
Greg Devereux, Executive Director Washington Federation of State Employees 1212 Jefferson Street, Suite 300 Olympia WA 98501 V 360-352-7603 greg.devereux@hca.wa.gov	State Employees
Myra Johnson* 6234 South Wapato Lake Drive Tacoma WA 98408 V 253-583-5353 myra.johnson@hca.wa.gov	K-12 Employees
Carol Dotlich 8312 198 th Street E Spanaway WA 98387 V 253-846-6371 carol.dotlich@hca.wa.gov	State Retirees
Tom MacRobert 4527 Waldrick RD SE Olympia WA 98501 V 360-264-4450 tom.macrobert@hca.wa.gov	K-12 Retirees

PEB Board Members

Name	Representing
Tim Barclay 9624 NE 182 nd CT, D Bothell WA 98011 V 206-819-5588 tim.barclay@hca.wa.gov	Benefits Management/Cost Containment
Yvonne Tate 1407 169 th PL NE Bellevue WA 98008 V 425-417-4416 yvonne.tate@hca.wa.gov	Benefits Management/Cost Containment
Vacant*	Benefits Management/Cost Containment
Harry Bossi 19619 23 rd DR SE Bothell WA 98012 V 360-689-9275 harry.bossi@hca.wa.gov	Benefits Management/Cost Containment

Legal Counsel

Michael Tunick, Assistant Attorney General
7141 Cleanwater Dr SW
PO Box 40124
Olympia WA 98504-0124
V 360-586-6495
MichaelT4@atg.wa.gov

*non-voting members

5/16/19



Washington State Health Care Authority
Public Employees Benefits Board

P.O. Box 42713 • Olympia, Washington 98504-2713
360-725-0856 • TTY 711 • FAX 360-586-9551 • www.pebb.hca.wa.gov

2019 Public Employees Benefits Board Meeting Schedule

The PEB Board meetings will be held at the Health Care Authority, Sue Crystal Center, Rooms A & B, 626 8th Avenue SE, Olympia, WA 98501. The meetings begin at 1:30 p.m., unless otherwise noted below.

January 31, 2019 (Board Retreat) 9:00 a.m. – 5:00 p.m.

March 20, 2019

April 24, 2019

May 21, 2019

June 5, 2019

June 19, 2019

July 10, 2019

July 17, 2019

July 24, 2019

If you are a person with a disability and need a special accommodation, please contact Connie Bergener at 360-725-0856

Updated 3/30/18

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 13, 2018

TIME: 8:07 AM

WSR 18-17-076

TAB 2

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

1. **Board Function**—The Public Employee Benefits Board (hereinafter “the PEBB” or “Board”) is created pursuant to RCW 41.05.055 within the Health Care Authority; the PEBB’s function is to design and approve insurance benefit plans for State employees and school district employees.
2. **Staff**—Health Care Authority staff shall serve as staff to the Board.
3. **Appointment**—The Members of the Board shall be appointed by the Governor in accordance with RCW 41.05.055. Board members shall serve two-year terms. A Member whose term has expired but whose successor has not been appointed by the Governor may continue to serve until replaced.
4. **Non-Voting Members**—Until there are no less than twelve thousand school district employee subscribers enrolled with the authority for health care coverage, there shall be two non-voting Members of the Board. One non-voting Member shall be the Member who is appointed to represent an association of school employees. The second non-voting Member shall be designated by the Chair from the four Members appointed because of experience in health benefit management and cost containment.
5. **Privileges of Non-Voting Members**—Non-voting Members shall enjoy all the privileges of Board membership, except voting, including the right to sit with the Board, participate in discussions, and make and second motions.
6. **Board Compensation**—Members of the Board shall be compensated in accordance with RCW [43.03.250](#) and shall be reimbursed for their travel expenses while on official business in accordance with RCW [43.03.050](#) and [43.03.060](#).

ARTICLE II

Board Officers and Duties

1. **Chair of the Board**—The Health Care Authority Administrator shall serve as Chair of the Board and shall preside at all meetings of the Board and shall have all powers and duties conferred by law and the Board’s By-laws. If the Chair cannot attend a regular or special meeting, he or she shall designate a Chair Pro-Tem to preside during such meeting.
2. **Other Officers**—(reserved)

ARTICLE III
Board Committees

(RESERVED)

ARTICLE IV
Board Meetings

1. Application of Open Public Meetings Act—Meetings of the Board shall be at the call of the Chair and shall be held at such time, place, and manner to efficiently carry out the Board's duties. All Board meetings, except executive sessions *as permitted by law*, shall be conducted in accordance with the Open Public Meetings Act, Chapter 42.30 RCW.
2. Regular and Special Board Meetings—The Chair shall propose an annual schedule of regular Board meetings for adoption by the Board. The schedule of regular Board meetings, and any changes to the schedule, shall be filed with the State Code Reviser's Office in accordance with RCW 42.30.075. The Chair may cancel a regular Board meeting at his or her discretion, including the lack of sufficient agenda items. The Chair may call a special meeting of the Board at any time and proper notice must be given of a special meeting as provided by the Open Public Meetings Act, RCW 42.30.
3. No Conditions for Attendance—A member of the public is not required to register his or her name or provide other information as a condition of attendance at a Board meeting.
4. Public Access—Board meetings shall be held in a location that provides reasonable access to the public including the use of accessible facilities.
5. Meeting Minutes and Agendas—The agenda for an upcoming meeting shall be made available to the Board and the interested members of the public at least 10 days prior to the meeting date or as otherwise required by the Open Public Meetings Act. Agendas may be sent by electronic mail and shall also be posted on the HCA website. Minutes summarizing the significant action of the Board shall be taken by a member of the HCA staff during the Board meeting, and an audio recording (or other generally-accepted) electronic recording shall also be made. The audio recording shall be reduced to a verbatim transcript within 30 days of the meeting and shall be made available to the public. The audio tapes shall be retained for six (6) months. After six (6) months, the written record shall become the permanent record. Summary minutes shall be provided to the Board for review and adoption at the next board meeting.
6. Attendance—Board members shall inform the Chair with as much notice as possible if unable to attend a scheduled Board meeting. Board staff preparing the minutes shall record the attendance of Board Members at the meeting for the minutes.

ARTICLE V
Meeting Procedures

1. Quorum— Five voting members of the Board shall constitute a quorum for the transaction of business. No final action may be taken in the absence of a quorum. The Chair may declare a meeting adjourned in the absence of a quorum necessary to transact business.
2. Order of Business—The order of business shall be determined by the agenda.
3. Teleconference Permitted— A Member may attend a meeting in person or, by special arrangement and advance notice to the Chair, A Member may attend a meeting by telephone conference call or video conference when in-person attendance is impracticable.
4. Public Testimony—The Board actively seeks input from the public at large, from enrollees served by the PEBB Program, and from other interested parties. Time is reserved for public testimony at each regular meeting, generally at the end of the agenda. At the direction of the Chair, public testimony at board meetings may also occur in conjunction with a public hearing or during the board's consideration of a specific agenda item. The Chair has authority to limit the time for public testimony, including the time allotted to each speaker, depending on the time available and the number of persons wishing to speak.
5. Motions and Resolutions—All actions of the Board shall be expressed by motion or resolution. No motion or resolution shall have effect unless passed by the affirmative votes of a majority of the Members present and eligible to vote, or in the case of a proposed amendment to the By-laws, a 2/3 majority of the Board .
6. Representing the Board's Position on an Issue—No Member of the Board may endorse or oppose an issue purporting to represent the Board or the opinion of the Board on the issue unless the majority of the Board approve of such position.
7. Manner of Voting—On motions, resolutions, or other matters a voice vote may be used. At the discretion of the chair, or upon request of a Board Member, a roll call vote may be conducted. Proxy votes are not permitted.
8. Parliamentary Procedure—All rules of order not provided for in these By-laws shall be determined in accordance with the most current edition of Robert's Rules of Order [RONR]. Board staff shall provide a copy of *Robert's Rules* at all Board meetings.
9. Civility—While engaged in Board duties, Board Members conduct shall demonstrate civility, respect and courtesy toward each other, HCA staff, and the public and shall be guided by fundamental tenets of integrity and fairness.
10. State Ethics Law—Board Members are subject to the requirements of the Ethics in Public Service Act, Chapter 42.52 RCW.

ARTICLE VI
Amendments to the By-Laws and Rules of Construction

1. Two-thirds majority required to amend—The PEBB By-laws may be amended upon a two-thirds (2/3) majority vote of the Board.
2. Liberal construction—All rules and procedures in these By-laws shall be liberally construed so that the public's health, safety and welfare shall be secured in accordance with the intents and purposes of applicable State laws and regulations.

TAB 3



2020 Rates Overview

Tanya Deuel
ERB Finance Manager
Financial Services Division
June 19, 2019

Beth Heston
PEBB Program Procurement Manager
Employees and Retirees Benefits (ERB) Division

Uniform Medical Plan

- To meet federal requirements, there will be a family Out-of-Pocket Maximum for Prescription Drugs of \$4,000 for the Classic, Plus, and Medicare plans
 - The individual Out-of-Pocket Maximum is \$2,000
- Change in lifetime limit of Nutritional Counseling visits from 3 to 12
- Value Formulary Implementation

No New Benefit Changes

- Kaiser Foundation Health Plan of the Northwest
- Kaiser Foundation Health Plan of Washington
- Uniform Dental Plan
 - Rate guarantee in effect through 12/31/2022
- DeltaCare Dental Plan
 - Rate guarantee in effect through 12/31/2022
- Willamette Dental Group
 - Rate guarantee in effect through 12/31/2021

Service Area Changes

- Kaiser Permanente of Washington
 - No longer covering San Juan County or Grays Harbor County

Network Update – Puget Sound Health Value Network (PSHVN)

New Partners for 2020:

- Rainier Health Network

(CHI Franciscan, CityMD, NPN, The Doctors Clinic, Pediatrics NW, Highline Medical)

- Physician Care Alliance –The Polyclinic

Exiting Partners for 2020:

- Multicare (See UW)

- Eastside Health Network

(EvergreenHealth and Overlake Medical Center and Clinics)

Network Update – UW Medicine

Exclusive Partner for 2020:

- Multicare

Exiting Partners for 2020:

- Eastside Health Network
(EvergreenHealth and Overlake Medical Center and Clinics)

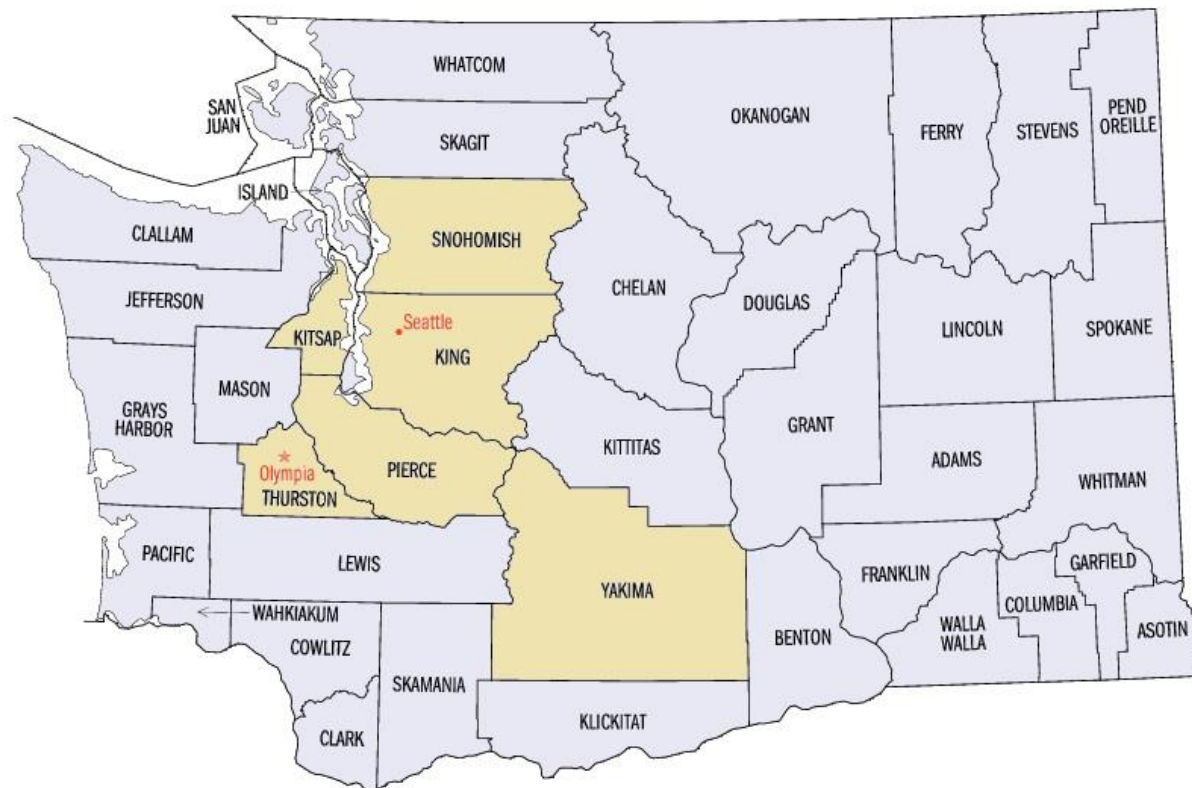
Spokane County Update

- Beginning in 2020, Multicare is partnering exclusively with UW Medicine
- PSHVN served Spokane County thru its prior partnership with Multicare
- Beginning in 2020, Multicare will continue to serve Spokane County thru UW Medicine Partnership
- PSHVN will no longer be offered in Spokane County 1/1/2020

UMP Plus - UW Medicine Accountable Care Network (ACN) 2020 Counties Served



UMP Plus - PSHVN Network 2020 Counties Served



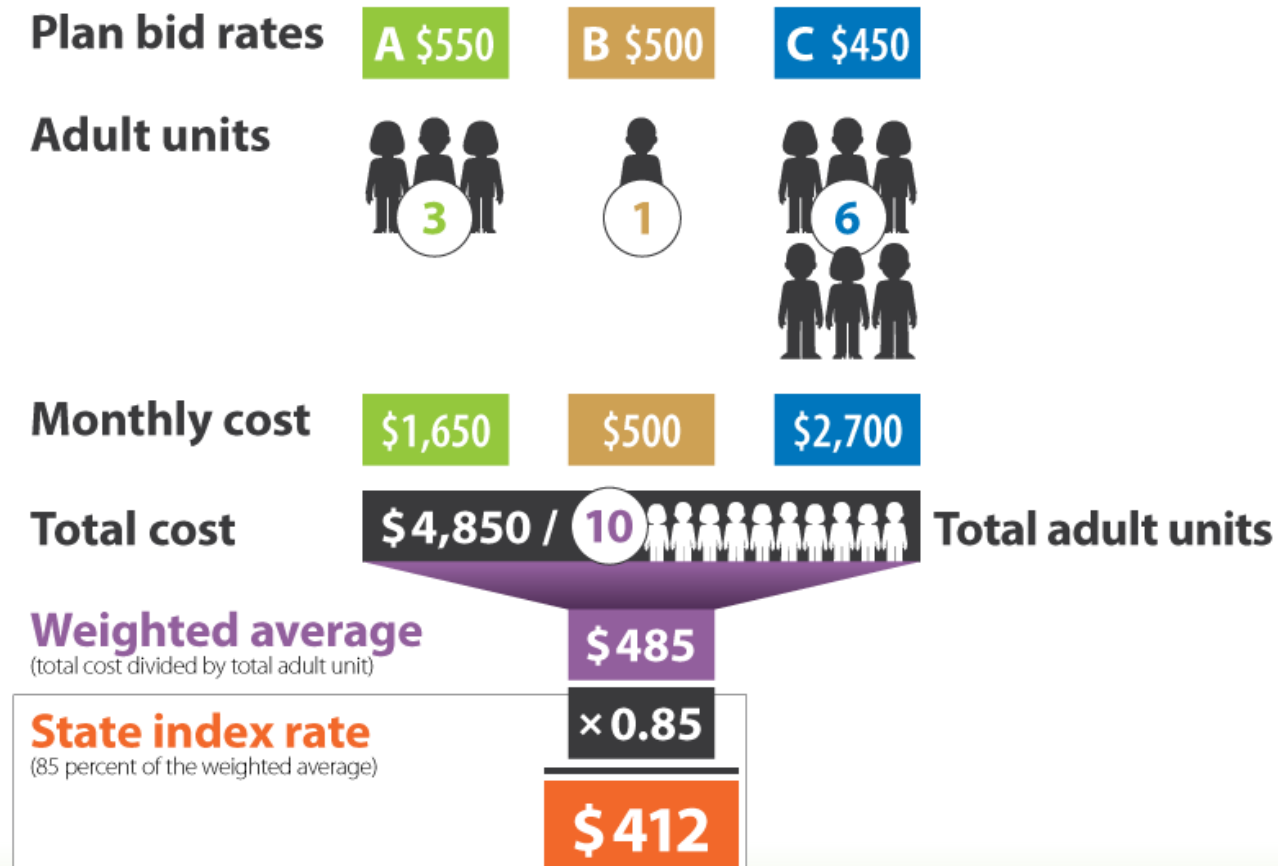
Premera Plan F and Plan G

- On January 1, 2020, Medicare Supplemental Plan F will be closed to future enrollment under Affordable Care Act (ACA)
 - Note: current enrollees do not need to switch plans
- Medicare Supplemental Plan G will open to replace Plan F
- Plan G will be identical to Plan F, except that subscribers must pay the Medicare deductible
 - Calendar Year 2019 Deductible \$185

Employee Premiums

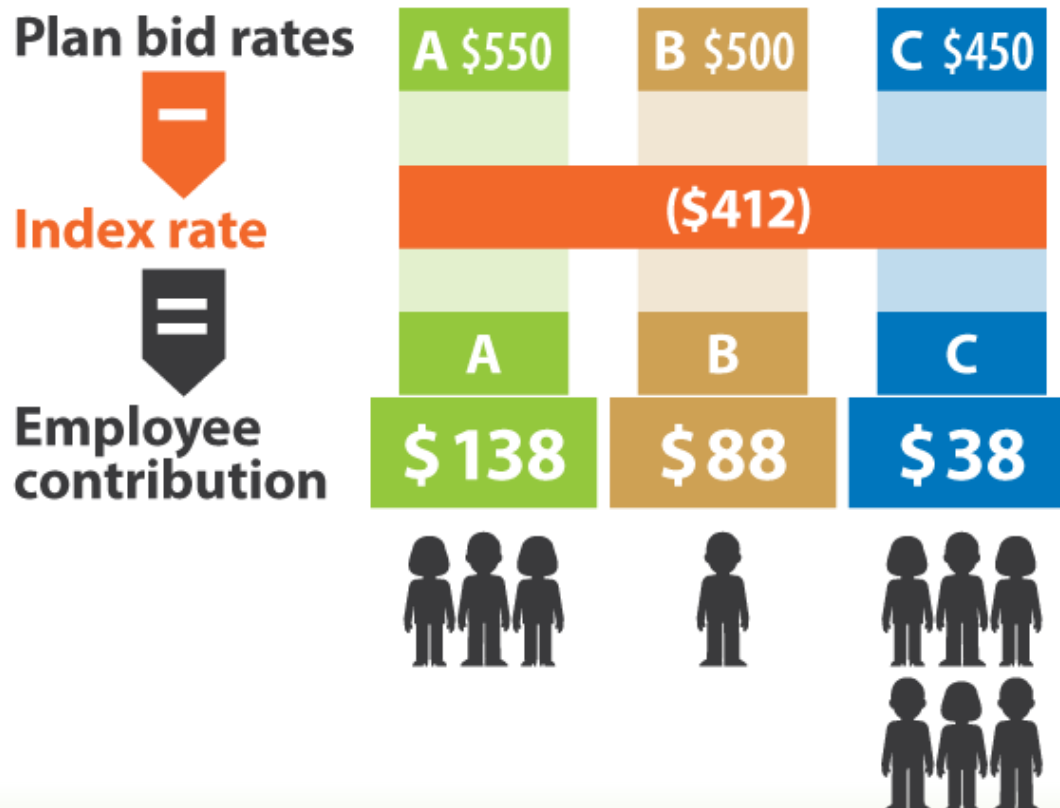
Calculating the State Index Rate

Sample Illustration







Determining Employee Premiums

Sample Illustration



Determining Employee Premiums by Tier

Sample Illustration

Plan		A	B	C
Employee contribution		\$138	\$88	\$38
Tiers	×			
Tier 1 1 		\$138	\$88	\$38
Tier 2 2  +\$10		\$286	\$186	\$86
Tier 3 1.75 		\$242	\$154	\$67
Tier 4 2.75  +\$10		\$390	\$252	\$115

*Tiers 3 and 4 do not change when you go from one child to more than one child

Employee / Employer Premium Contributions

	Proposed 2020 Employee Contribution (Single Subscriber)	Proposed 2020 Employer Contribution (aka State Index Rate)	Proposed 2020 Composite Rate
Kaiser NW Classic	\$140	\$571	\$711
Kaiser NW CDHP	\$25	\$571	\$596
Kaiser WA Classic	\$176	\$571	\$747
Kaiser WA Value	\$100	\$571	\$671
Kaiser WA SoundChoice	\$42	\$571	\$613
Kaiser WA CDHP	\$27	\$571	\$598
UMP Classic	\$104	\$571	\$675
UMP Plus	\$69	\$571	\$640
UMP CDHP	\$25	\$571	\$596

- Consumer Directed Health Plans (CDHP) composites include Health Savings Account (HSA) deposits
- Rounded to the nearest dollar
- Composites include the state active reduction of \$1.00 Per Adult Unit Per Member (PAUPM) for the employer group surcharge.

Employee Contributions by Tier

	Subscriber		Subscriber & Spouse		Subscriber & Child(ren)		Subscriber, Spouse/SRDP*, and Child(ren)		2019 to 2020 Change in Subscriber Rate	
	2019	Proposed 2020	2019	Proposed 2020	2019	Proposed 2020	2019	Proposed 2020	%	\$
Kaiser NW Classic	\$143	\$140	\$296	\$290	\$250	\$245	\$403	\$395	-2.1%	(\$3)
Kaiser NW CDHP	\$28	\$25	\$66	\$60	\$49	\$44	\$87	\$79	-10.7%	(\$3)
Kaiser WA Classic	\$165	\$176	\$340	\$362	\$289	\$308	\$464	\$494	6.7%	\$11
Kaiser WA Value	\$88	\$100	\$186	\$210	\$154	\$175	\$252	\$285	13.6%	\$12
Kaiser WA SoundChoice	\$35	\$42	\$80	\$94	\$61	\$74	\$106	\$126	20.0%	\$7
Kaiser WA CDHP	\$25	\$27	\$60	\$64	\$44	\$47	\$79	\$84	8.0%	\$2
UMP Classic	\$107	\$104	\$224	\$218	\$187	\$182	\$304	\$296	-2.8%	(\$3)
UMP Plus	\$50	\$69	\$110	\$148	\$88	\$121	\$148	\$200	38.0%	\$19
UMP CDHP	\$25	\$25	\$60	\$60	\$44	\$44	\$79	\$79	0.0%	\$0
Subscribers may be subject to the following surcharges										
Tobacco Surcharge	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25		
Spousal Surcharge	N/A	N/A	\$50	\$50	N/A	N/A	\$50	\$50		

- Subscriber, Spouse/State-Registered Domestic Partner*, and Child(ren) Include \$10 spouse charge
- Rounded to the nearest dollar
- Composites include the state active reduction of \$1.00 PAUPM for the employer group surcharge.

Non-Medicare Retiree Rates

Non-Medicare Retiree Rates by Tier

	Subscriber		Subscriber & Spouse		Subscriber & Child(ren)		Subscriber, Spouse/SRDP*, and Child(ren)		2019 to 2020 Change in Subscriber Rate	
	2019	Proposed 2020	2019	Proposed 2020	2019	Proposed 2020	2019	Proposed 2020	%	\$
Kaiser NW Classic	\$711	\$716	\$1,415	\$1,426	\$1,239	\$1,249	\$1,944	\$1,959	0.8%	\$5
Kaiser NW CDHP	\$604	\$609	\$1,196	\$1,207	\$1,063	\$1,072	\$1,597	\$1,612	0.8%	\$5
Kaiser WA Classic	\$733	\$752	\$1,461	\$1,499	\$1,279	\$1,312	\$2,006	\$2,060	2.5%	\$19
Kaiser WA Value	\$656	\$676	\$1,307	\$1,346	\$1,144	\$1,179	\$1,794	\$1,849	3.0%	\$20
Kaiser WA SoundChoice	\$603	\$618	\$1,200	\$1,232	\$1,051	\$1,079	\$1,648	\$1,692	2.5%	\$15
Kaiser WA CDHP	\$600	\$610	\$1,189	\$1,210	\$1,057	\$1,075	\$1,587	\$1,616	1.6%	\$10
UMP Classic	\$675	\$680	\$1,344	\$1,354	\$1,177	\$1,186	\$1,845	\$1,860	0.8%	\$5
UMP Plus	\$618	\$645	\$1,230	\$1,285	\$1,077	\$1,125	\$1,689	\$1,765	4.4%	\$27
UMP CDHP	\$601	\$608	\$1,190	\$1,206	\$1,057	\$1,072	\$1,588	\$1,611	1.2%	\$7
Subscribers may be subject to the following surcharges										
Tobacco Surcharge	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25		
Spousal Surcharge	N/A	N/A	\$50	\$50	N/A	N/A	\$50	\$50		

- Rounded to the nearest dollar
- State-Registered Domestic Partner (SRDP)

Medicare Retiree Rates

Medicare Retiree Rates

	Single Subscriber Premium (after Explicit Subsidy)	Medicare Explicit Subsidy	Composite
Kaiser NW Senior Advantage	\$173.91	\$168.85	\$342.75
Kaiser WA Medicare Advantage & Classic	\$174.55	\$169.49	\$344.04
UMP Classic Medicare	\$320.54	\$183.00	\$503.54
Premera Medicare Supplement Plan F Retired	\$112.84	\$107.78	\$220.61
Premera Medicare Supplement Plan F Disabled	\$188.47	\$183.00	\$371.47
Premera Medicare Supplement Plan G Retired	\$97.56	\$92.50	\$190.06
Premera Medicare Supplement Plan G Disabled	\$162.31	\$157.25	\$319.56

**Plan Year 2020 Medicare Explicit Subsidy is set at \$183 or 50% of the premium, whichever is less.*

Medicare Retiree Premiums

	Single Subscriber Premium (after Explicit Subsidy)		2019 to 2020 Change in Subscriber Premium	
	2019	2020	%	\$
Kaiser NW Senior Advantage	\$169.80	\$173.91	2.4%	\$4.10
Kaiser WA Medicare Advantage & Classic	\$167.91	\$174.55	4.0%	\$6.64
UMP Classic Medicare	\$313.09	\$320.54	2.4%	\$7.45
Premera Medicare Supplement Plan F Retired	\$112.16	\$112.84	0.6%	\$0.68
Premera Medicare Supplement Plan F Disabled	\$199.00	\$188.47	-5.3%	(\$10.53)
Premera Medicare Supplement Plan G Retired	NA	\$97.56	NA	NA
Premera Medicare Supplement Plan G Disabled	NA	\$162.31	NA	NA

Impact of Medicare Explicit Subsidy



*Chart based on UMP Classic

Dental, Life, and Long-Term Disability

Dental Premiums

	Subscriber Rate	
	2019	2020
	\$45.87	\$47.01
	\$39.53	\$39.53
Uniform Dental Plan DeltaCare Willamette Dental Group	\$44.45	\$44.45

- Premiums are paid 100% by the employer for all tiers

Life, AD&D, and LTD Premiums

- Basic Life, AD&D, and LTD
 - Employer funded
 - No rate change for 2020
- Optional Life and LTD
 - Employee funded
 - No rate change for 2020

Proposed Resolutions

Proposed Resolution PEBB 2019-07

Non-Medicare Premium

The PEB Board endorses the Kaiser Foundation Health Plan of the Northwest employee and Non-Medicare retiree premiums.

Proposed Resolution PEBB 2019-08

Non-Medicare Premium

The PEB Board endorses the Kaiser Permanente of Washington employee and Non-Medicare retiree premiums.

Proposed Resolution PEBB 2019-09 Non-Medicare Premium

The PEB Board endorses the Uniform Medical Plan employee and Non-Medicare retiree premiums.

Proposed Resolution PEBB 2019-10

Medicare Premium

The PEB Board endorses the monthly Medicare Explicit Subsidy of \$183 or 50% of premium, whichever is less.

Proposed Resolution PEBB 2019-11

Medicare Premium

The PEB Board endorses the Kaiser Foundation Health Plan of the Northwest Medicare premiums.

Proposed Resolution PEBB 2019-12

Medicare Premium

The PEB Board endorses the Kaiser Permanente of Washington Medicare premiums.

Proposed Resolution PEBB 2019-13

Medicare Premium

The PEB Board endorses the Uniform Medical Plan Medicare premiums.

Proposed Resolution PEBB 2019-14

Medicare Premium

The PEB Board endorses the Premiera Medicare premiums.

Next Steps

We will ask the Board to take action on these premium resolutions at the July 10, 2019 meeting.

Questions?

Tanya Deuel, ERB Finance Manager

Financial Services Division

tanya.deuel@hca.wa.gov

Tel: 360-725-0908

Beth Heston, PEBB Program Procurement Manager

Employees and Retirees Benefits (ERB) Division

Beth.Heston@hca.wa.gov

Tel: 360-725-0865

TAB 4



Eligibility & Enrollment Policy Development

Rob Parkman, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
June 19, 2019

Introduction of Policy Resolutions

PEBB 2019-06

Tobacco use surcharge

ESHB 1109 (Budget Bill)

Section 212 - FOR THE STATE HEALTH CARE AUTHORITY—
PUBLIC EMPLOYEES' BENEFITS BOARD AND EMPLOYEE
BENEFITS PROGRAM

(4) The board shall collect a surcharge payment of not less than twenty-five dollars per month from members who use tobacco products.

Considerations

- Median surcharge among large employers is \$50/month
- Currently, ~3% of PEBB Program members pay the tobacco surcharge
 - CDC estimates ~15% of Americans smoke
- Little to no evidence that surcharges are effective in causing smokers to quit
- Other methods that have been shown to work:
 - Tobacco taxes
 - Smoke free laws
 - Tobacco control programs
 - Making tobacco cessation treatment accessible

Proposed Policy Resolution PEBB 2019-06 Tobacco Use Surcharge

Beginning January 1, 2020, the tobacco use surcharge will be \$25 per month for a subscriber with a member enrolled on their medical plan that uses tobacco products.

Next Steps

- Incorporate Board feedback in the proposed policy
- Bring a recommended policy resolution to the Board to take action on at the July 10, 2019 Board Meeting

Questions?

Rob Parkman, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division

rob.parkman@hca.wa.gov

Tel: 360-725-0883

TAB 5



Emerging Medications

Ryan Pistoiresi, PharmD, MS
Assistant Chief Pharmacy Officer
Clinical Quality and Care Transformation
June 19, 2019

Spinal Muscular Atrophy

- Spinal muscular atrophy (SMA) is a rare neuromuscular disorder that is characterized by muscle weakness
 - Occurs in approximately 4-10 patients per 10,000 live births
- There are 5 types of SMA (Type 0 to Type 4) that depends on the age in which symptoms appear and copies of SMN2 gene
 - Type 0: manifests in pregnancy, death within weeks to months after birth
 - Type 1: never able to sit unsupported, death usually before 2nd birthday
 - Type 2: symptoms appear between 3 to 15 months, 70% alive at 25 years
 - Type 3: may require using a wheelchair in adulthood; normal life expectancy
 - Type 4: ambulation usually maintained throughout life; normal life expectancy
- Approximately 60% of all births are Type 1 while 30% are Type 2. Type 0 and Type 4 are the most uncommon forms of SMA.

Spinraza (nusinersen)

- Spinraza was the first medication approved for the treatment of SMA on December 23, 2016
 - Previously, only supportive care was used for patients with SMA
 - Requires 6 doses in the first year, then 3 doses every subsequent year
 - Costs approximately \$750,000 in first year, \$375,000 every other year
- Studied in symptomatic (Type 1) and pre-symptomatic (Type 2 and Type 3) patients ages 12 and younger
 - In one trial, 51% of Type 1 patients receiving Spinraza achieved motor milestones whereas 0% of placebo achieved motor milestones
 - Of the 73 patients who received Spinraza, 6 were able to sit independently and 1 was able to stand
- Very few patients have received this medication in UMP

Zolgensma (onasemnogene abeparvovec)

- Zolgensma is the first gene therapy approved for the treatment of SMA
 - Approved for patients less than 2 years of age with certain mutations in SMN1 and sufficient copies of SMN2
- One published clinical trial studied Zolgensma in patients with Type 1 SMA
 - Clinical trial studied 15 patients who received Zolgensma
 - Published data includes survival, ventilation status, sitting independently, healthcare utilization, adverse events, among others
 - All patients were alive at 20 months compared to 8% of historical control
 - Following end of 2 year trial, 40% of patients now use Spinraza
 - 15 year follow-up study ongoing, interim results not published

Zolgensma (onasemnogene abeparvovec) (*cont.*)

- Ongoing studies in SMA Type 2
 - Different route to administer the drug than other trials
 - Currently no results available on presymptomatic patients, but there are currently phase III studies in late-onset SMA (to be completed by April 2023)
- Novartis has announced that the price of Zolgensma will be about \$2.13 million per dosing kit
 - Novartis is working with payers to set up a pay-over-time option that splits the payments over 5 years
 - Use of more than 1 dosing kit has not been evaluated

UMP Budget Impact

- The anticipated combined budget impact of this new drug for UMP is approximately \$2.13 million once every 3-4 years
 - Incidence of SMA type 1 is one per 10,000 live births
 - UMP averages approximately 2,500 live births per year
- Total of 26 new drugs reviewed in 2019 is anticipated to be \$4.40 million

Questions?

Ryan Pistoiresi, PharmD, MS
Assistant Chief Pharmacy Officer
Clinical Quality and Care Transformation

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