Appendix E Actuarial Cost Savings Analysis

Colorado

Section 804 Importation Program

Cost Analysis

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Section 1: Introduction

This report documents the potential cost savings due to importing Canadian prescription drugs to Colorado. Certain prescription drugs have significantly lower costs in Canada than in the United States. Importing these drugs would yield significant cost savings that we estimate at about $46.2 million during the first 3 years of Section 804 State Importation Program (SIP) implementation in the state.

This report and the analysis underlying it were created by Lewis & Ellis, Inc. (L&E). The Colorado Department of Health Care Policy & Financing (HCPF) commissioned the analysis as part of Colorado's SIP application to the U.S. Food and Drug Administration (FDA). The analysis and SIP application are in accordance with 21 CFR 251.3(e)(9) and informal guidance from the Assistant Secretary for Planning and Evaluation (ASPE) of the Department of Health and Human Services.[1] This report documents the assumptions, data, methodology, and conclusions of the cost savings analysis.

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[1] https://www.fda.gov/media/158564/download?attachment

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Section 2: Summary of Findings

Through the SIP, HCPF intends to import sixteen drugs (referred to herein as "**SIP Selected Drugs**" and listed in appendix **Table A1**) from Canada to the Colorado commercial drug market. The SIP Selected Drugs include twenty combinations of drug and strength corresponding to twenty-eight National Drug Codes (NDCs). In order to import SIP Selected Drugs, HCPF requires FDA approval of the SIP application. The FDA will approve the SIP application only if the SIP application can demonstrate that the SIP will result in a significant reduction in the cost of prescription drugs to the American consumer.[2] This cost analysis provides evidence that the SIP will result in significant cost savings, showing that if approved the SIP can save an estimated $46.2 million (2025-2027) compared to costs absent a program.

A. Scenarios Defined

To determine whether the SIP would result in a significant cost reduction, L&E used data from Colorado's All-Payer Claims Database to analyze the cost of the SIP Selected Drugs in two scenarios: the **Baseline Scenario** and the **Plan Scenario**. The Baseline Scenario is a projection of the total expenditures for the SIP Selected Drugs if the SIP is not authorized and implemented. The Plan Scenario is a projection of the total expenditures of the SIP Selected Drugs if the SIP is authorized and implemented, beginning in 2025. The Plan Scenario cost savings are the difference between the total expenditures for the SIP Selected Drugs under the Baseline Scenario and the Plan Scenario.

B. Targeted Population

This analysis assumes cost savings for individuals within the **Colorado Commercial Insured Population**, which is the population covered by commercial insurance and includes individuals covered by employer-sponsored insurance and individually purchased insurance. This population does not include individuals covered by Medicare, Medicaid, or uninsured individuals. Within the commercially insured population, we assume that only some health insurance carriers will choose to cover imported versions of the SIP Selected Drugs.

The commercial insured population is the targeted population for the SIP and related analysis for several reasons. First, Medicaid already receives steep rebates for covered drugs, potentially lower than what any importation program could provide, and therefore is not a targeted population in Colorado's SIP. Second, while insured markets do enjoy savings due to rebates, purchasers of insurance (self-insured, fully-insured, and individuals) do not generally have full access to rebate savings and therefore can most benefit from transparent and discounted prices offered by an importation program. This analysis assumes modest participation by commercial insurers in the early years of implementation of the program, due to hesitation within the market to participate in the program. As the program ages and proves viability and concept, we estimate an increase in participation.

The Plan Scenario values assume the SIP is authorized and implemented. The **Plan Scenario Covered Individuals** are individuals in the Colorado Commercial Insured Population whose health insurance provides coverage for SIP Selected Drugs imported from Canada.

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[2] 21 CFR 251.3(e)(9)

C. SIP Projections

L&E calculated the costs for the SIP Selected Drugs used by the Colorado Commercial Insured Population in the Baseline Scenario and in the Plan Scenario. **Table 2.1** outlines projections for the Baseline and Plan scenarios, providing estimated costs and savings without and with a SIP program. Because the SIP is targeting the total commercial market, we illustrate the entire market over all relevant years beginning in 2022 through 2027 and the portion of the total market impacted by the SIP. The Plan Scenario Cost Savings ($M) are the difference between the Baseline Scenario SIP Selected Drug Costs ($M) and the Plan Scenario SIP Selected Drug Costs ($M).

The Plan Scenario results in cost savings because the total cost of imported drugs (including supply chain costs) is lower than that of the domestic cost of the same drugs. Savings increase by year as the number of Plan Scenario Covered Individuals increases. For 2027, the third year of the SIP, we project $24.5 million in savings. We expect most of these drug cost savings will be passed on to covered individuals as reductions in premiums or copayments. Note that higher SIP participation will drive higher Plan Scenario Cost Savings ($M).

Table 2.1: SIP Summary Savings Projections

	2022	2023	2024	2025	2026	2027	2025-2027
Colorado Population	5,839,926	5,875,213	5,928,142	5,981,072	6,016,359	6,051,645	
Colorado Commercial Insured Population	3,474,756	3,506,029	3,530,571	3,541,163	3,505,751	3,509,257	
Plan Scenario Covered Individuals	0	0	0	219,098	600,946	782,985	
Baseline Scenario SIP Selected Drug Costs ($M)	$195.8	$212.0	$230.2	$245.9	$255.8	$266.9	$768.6
Plan Scenario SIP Selected Drug Costs ($M)	$195.8	$212.0	$230.2	$240.9	$239.2	$242.4	$722.5
Plan Scenario Cost Savings ($M)	**0**	**0**	**0**	**$5.0**	**$16.6**	**$24.5**	**$46.2**

D. SIP Selected Drugs: Savings by Drug

Below, **Table 2.2** indicates the cost savings projected for each individual SIP Selected Drug in 2027, the final year of the projection period. Cost savings for all years are illustrated in the appendix. A **unit** is a dose of a drug (tablet, spray or injection). The table includes the three categories assigned to each drug to estimate rebates (Brand, Specialty, and Brand & Specialty), which are discussed later in this report.

Table 2.2: Savings by Drug

Drug Index	Drug Name	Strength	Category	2027 Baseline Scenario Price per Unit	2027 Plan Scenario Importation Price per Unit	Savings Percentage
1	Biktarvy	50-200-25mg	Specialty	$118.28	$55.81	53%
2	Eliquis	2.5mg	Brand	$7.20	$3.74	48%
3	Erleada	60mg	Specialty	$117.81	$42.90	64%
4	Janumet	50/500mg	Brand	$4.88	$3.93	19%
5	Janumet	50/1000mg	Brand	$4.86	$3.25	33%
6	Januvia	25mg	Brand	$9.97	$8.17	18%
7	Januvia	50mg	Brand	$9.56	$6.99	27%
8	Januvia	100mg	Brand	$10.15	$6.17	39%
9	Odefsey	200-25-25mg	Brand & Specialty	$95.94	$64.41	33%
10	Otezla	30mg	Brand & Specialty	$64.76	$35.39	45%
11	Ozempic	OZEMPIC MULTIDOSE PREFILLED PEN 0.25MG OR 0.5MG	Brand & Specialty	$502.59	$275.13	45%
12	Ozempic	OZEMPIC 1MG	Brand & Specialty	$268.00	$137.57	49%
13	Prezcobix	800/150	Brand & Specialty	$60.80	$49.12	19%
14	Rinvoq	ER 15	Brand & Specialty	$176.55	$76.73	57%
15	Sprycel	100mg	Specialty	$397.35	$127.36	68%
16	Symtuza	800/150/ 200/10	Brand & Specialty	$133.63	$98.49	26%
17	Tivicay	50mg	Brand & Specialty	$50.40	$36.02	29%
18	Trikafta	100/50/75 and ivacaftor 150 mg tablets	Specialty	$325.91	$268.37	18%
19	Triumeq	600-50-300mg	Brand & Specialty	$71.86	$55.79	22%
20	Victoza 3 PAK	18mg/3mL	Brand	$59.03	$48.68	18%

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Section 3: Methodology and Analysis

The methodology developed and analysis conducted evaluate and compare drug costs absent a SIP program (Baseline Scenario) to cost savings as a result of a SIP program (Plan Scenario). In order to evaluate these scenarios, L&E modeled population and drug cost assumptions. Population assumptions helped determine what portion of the commercially insured population would receive savings. Drug cost estimates include assumptions regarding drug utilization by the identified population, drug costs, supply chain costs, and trend increases such as rebate and pharmacy cost trends.

Parts A and B below document the development of the assumptions for the population and for drug costs and utilization. Part C explains how these assumptions are built into the cost savings projection. Part D considers sources of uncertainty and tests alternate scenarios.

A. Population Assumptions

i. Baseline Scenario Population Assumptions

In order to estimate the population impacted by the SIP, we first established that the baseline population would be the Colorado population. As of July 2022, the population estimate for Colorado is 5,839,926.[3] Our population growth projections use the Centers for Medicare and Medicaid Services (CMS) population growth estimates.[4] The baseline population targeted for SIP participation is the Colorado Commercial Insured Population, which we calculated as 59.5%[5] of the total population, or 3,474,756 persons. The population projection for future years uses the private health enrollment growth rate from National Health Expenditure data.[6]

In order to determine the number of individuals who would utilize the SIP Selected Drugs in the Baseline Scenario, we relied on 2022 utilization and cost data provided in the Colorado All Payers Claims Database (APCD), which is administered by the Center for Improving Value in Health Care (CIVHC).[7] CIVHC captures claims and enrollment data for both public and private health carriers, but does not include all data on the commercial market because it does not collect all data on employer self-insured plans. Our APCD dataset included 2,111,558 commercial average lives per month in 2022. We assume that the utilization and costs of the entire commercial market are similar to the population in the APCD. Therefore, the expected drug use for the entire market is assumed to be a factor of the APCD amount, represented by

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[3] https://www.census.gov/quickfacts/fact/table/CO/PST045222
[4] Population growth estimates from National Health Expenditures, Table 1,
https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddat a/nationalhealthaccountsprojected
[5] https://www.kff.org/other/state-indicator/total-population/?dataView=0&currentTimeframe=0&sortModel=%7B %22colId%22:%22Location%22,%22sort%22:%22asc%22%7D. Employer and Non-Group commercial insurance = 52.7% + 6.8% = 59.5%
[6] Private health enrollment growth rate estimates from National Health Expenditures, Table 17,
https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddat a/nationalhealthaccountsprojected
[7] https://civhc.org/get-data/whats-in-the-co-apcd/

the (Colorado Commercial Insured Population) ÷ (Commercial Population in APCD) = 3,474,756 ÷ 2,111,558 = 1.646. We extrapolated APCD data to the full market with this multiplier to estimate the use of the SIP Selected Drugs for the Colorado Commercial Insured Population. These estimates are shown in **Table 3.1** and their application explained in the "Cost and Utilization Assumptions" section to follow.

Table 3.1: 2022 Population Assumptions

Item	Segment	Percent	Total
1	Colorado Population	100.0%	5,839,926
2	Colorado Commercial Insured Population *Determined as Row 2 percent X Row 1 Total*	59.5%	3,474,756
3	Commercial Insured Average Lives per Month Captured in APCD Data *Determined as Row 3 percent X Row 1 Total*	36.2%	2,111,558
4	Factor to Multiply APCD Drug Use by to Estimate Total Colorado Commercial Insured Population Drug Use *Determined as Row 2 / Row 3*	1.646	

ii. Plan Scenario Population Assumptions

Not all health insurance payers (insurance carriers and self-insured employer sponsors) will offer imported SIP Selected Drugs to their members. **Table 3.2** indicates our assumption for the Plan Scenario Covered Individuals whose health insurance payers offer imported SIP Selected Drugs. This is an assumption selected by HCPF in discussion with L&E to estimate the level of participation by self-insured and fully-insured participants in the SIP program.

For simplicity, we have stated that for Plan Scenario Covered Individuals, the payers will switch all utilization of SIP Selected Drugs from the domestic versions to those imported through the SIP. In practice, payers that contract to provide SIP Selected Drugs to their members will surely still have some utilization of the domestic versions. Therefore, we can view the last row of the table "Plan Scenario Covered Individuals as a % of Colorado Commercial Insured Population" simply as the percentage of overall market utilization that switches to imported SIP Selected Drugs from the domestic version. It is applied in that way in our model.

We estimate that in the Plan Scenario, participation will account for 6.2% of the Colorado Commercial Insured Population in 2025, 17.1% in 2026, and 22.3% in 2027. This conservative estimate is due to the assumption that there will be modest initial uptake by insurers in program participation, growing by 2027.

We expect the level of participation to differ between self-insured groups and the fully-insured population due to the fact that self-insuring employer groups and insurance carriers have different

contractual relationships and decision-making criteria. The split of the Colorado Commercial Insured Population in **Table 3.2** is from Kaiser Family Foundation 2022 data which is 56.4%[8] of private sector enrollees that are in self-insured employer plans.

Table 3.2: SIP Participation, Enrolled Members

Enrollment Assumptions						
Cohort	2022	2023	2024	2025	2026	2027
Colorado Commercial Insured Population	3,474,756	3,506,029	3,530,571	3,541,163	3,505,751	3,509,257
Self-Insured Group	1,959,762	1,960,080	1,985,072	1,991,804	2,003,035	2,010,411
Fully-Insured Group and Individual	1,514,994	1,545,949	1,545,499	1,549,359	1,502,716	1,498,846
Self-Insured Group % SIP Participation				11.0%	24.0%	30.0%
Fully-Insured Group % SIP Participation				0.0%	8.0%	12.0%
Self-Insured Group Plan Scenario Covered Individuals				219,098	480,728	603,123
Fully-Insured Group Plan Scenario Covered Individuals				0	120,217	179,861
Plan Scenario Covered Individuals				219,098	600,946	782,985
Plan Scenario Covered Individuals as a % of Colorado Commercial Insured Population				6.2%	17.1%	22.3%

B. Cost and Utilization Assumptions

i. Allowed Cost and Utilization Data

The starting point for our projection is the 2022 utilization and cost data from the Colorado All Payer Claims Database (APCD), evaluating the SIP Selected Drug lists sixteen molecules or twenty individual drugs and dosages.[9] This data includes the allowed cost, the number of units, and the cost per unit. **Allowed Cost** is the total cost for the drugs paid by the health plan on behalf of the covered individual

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[8] https://www.kff.org/other/state-indicator/share-of-private-sector-enrollees-enrolled-in-self-insured-plans-2018/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D
[9] https://civhc.org

and paid directly by the covered individual in the form of deductibles, copays, and coinsurance. The allowed cost in the APCD does not include the application of pharmacy rebates, which are applied at a later step. The **units** represent the total number of doses (tablets or injections). The **allowed cost per unit** is the total allowed cost divided by the total units. The allowed cost, units, and allowed cost per unit are summarized in **Table 3.3** and listed by drug in appendix **Table A2**.

To estimate total allowed costs for the Colorado Commercially Insured Population, we scale up the APCD data by the 1.64 APCD multiplier from Table 3.1 Row 4. By using this multiplier, we assume that the utilization and cost of the entire market is similar to that for the population in the APCD. While this table shows the summarized numbers, all the calculations in the model occur at the level of the individual drugs.

Table 3.3: APCD Cost and Utilization Data

Segment	APCD Commercial Data	CO Commercial Insured Population *Extrapolated from APCD*
Population	2,111,558	3,474,756
Units	1,838,732	3,025,797
Units Per 1,000 Members	871	871
Allowed Cost Gross of Rebates	$145,931,947	$240,144,010
Allowed Cost Gross of Rebates per Unit	$79.37	$79.37

ii. Rebates

Pharmacy benefit managers (PBMs) negotiate drug prices with drug manufacturers, reducing the net cost of drugs and resulting in rebates and other price concessions. Rebates can be passed through to insurance companies and self-funded employers, who can use them to decrease premiums and out of pocket costs to their employees. The amounts of rebates and corresponding pass-throughs are generally kept confidential, and are therefore difficult to estimate, placing some limitations on our rebate assumptions and analysis.

Because the rebates are a significant reduction in total drug costs for payers, we needed to estimate rebate percentages and pass-through amounts and apply them to the APCD claims data (which does not include the effect of rebates). CIVHC has collected and published aggregate rebate data from Colorado commercial payers, and this is the most relevant data source available. CIVHC calculated a 20.8% average rebate for brand and specialty drugs in the Colorado commercial market in 2021.[10] Starting from CIVHC rebate data and considering other data sources including proprietary client data, L&E projected average rebates for SIP Selected Drugs by drug category as indicated in **Table 3.4**. The projected change in rebate percentages in future years is based on recent history.

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[10]https://civhc.org/get-data/public-data/affordability-dashboard-2/

While this analysis assumes a 100% pass-through of rebates to payers, this represents a conservative assumption. Should public data become available demonstrating a more precise amount of rebate being passed through, by manufacturer or drug, to purchasers in Colorado, this methodology can be updated and would show an increased cost savings for the importation program.

Table 3.4: Rebate Assumptions

Category	2022	2023	2024	2025	2026	2027
Pharmacy Rebates (Brand & Specialty)	21.8%	22.3%	22.8%	23.3%	23.8%	24.3%
Pharmacy Rebates (Brand)	30.1%	30.8%	31.5%	32.1%	32.8%	33.5%
Pharmacy Rebates (Specialty)	14.1%	14.4%	14.8%	15.1%	15.4%	15.7%
Pharmacy Rebates - SIP Drug Average	18.5%	18.8%	19.2%	19.6%	20.1%	20.3%

We assume that manufacturers would pay no rebates for SIP Selected Drugs imported from Canada; therefore the rebate percentages are applied only to the domestic versions of SIP Selected Drugs. The projected rebate percentage varies by the drug category (categories shown in **Table 2.2)**. For example, for each one of the SIP Selected Drugs that is classified as Specialty, in 2027 we assume a 15.7% rebate applies. Current statistics show aggregate rebate percents across all NDCs to be as high as 37-42%[11]. However, our targeted SIP list of drugs includes 14% specialty and 32% of the list being brand/specialty and therefore the use of overall lower percentages specific to the Colorado market were utilized. In addition, given the uncertainty of estimated rebates, we analyzed alternative scenarios where rebates were 10% higher or 5% lower, see **Table 3.16**. Even in these alternative scenarios, SIP savings were still realized.

iii. Canadian Drug Prices and Currency Exchange Rate

For the year 2022, Canadian SIP Selected Drug costs per unit in US dollars were provided by HCPF. The average is shown in **Table 3.5**, and costs by drug are listed in **Table A2** of the appendix. The Canadian costs were converted to US dollar costs at an exchange rate of $0.75, as was in effect on August 1, 2023.

Table 3.5: Canadian Drug Cost, Not Including Supply Chain

	2022
2022 Canadian SIP Selected Drug Cost Per Unit	$27.46

iv. Supply Chain Costs

The model includes supply chain costs directly attributable to importation of the SIP Selected Drugs. For the projections of unit cost for domestically sourced SIP Selected Drugs, various supply chain costs are already included because the projection starts from APCD allowed cost data. For the projections of unit cost for imported SIP Selected Drugs, we add various supply chain costs. The categories of costs included

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[11]

https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/the-global-use-of-medicines-2023/iqvia-institute-global-use-of-medicines-2023-report-01-23-forweb.pdf

are listed in **Table 3.6**. As required in ASPE guidance, supply chain costs include importer price markups, other transportation and logistical costs not captured by the importer price markup, and costs associated with drug samples, testing, and other requirements under Section 804 and the Importation of Prescription Drugs Final Rule.[12] Because these costs apply only to imported SIP Selected Drugs, not those domestically sourced, they are only applied to costs for the Plan Scenario Covered Individuals in the Plan Scenario.

Table 3.6: Supply Chain Cost Components Included in Analysis

Drug Name
Addition of an SSI
Inspection of shipment from manufacturer to foreign seller
Foreign Seller ("FS") Markup
Shipping cost from FS to Customs and Border Protection ("CBP")
Shipping from CBP to Premier Mid-America for relabeling
Storage at CBP while waiting on FDA admissibility
Premier shipment processing
Testing (shipping to Q Labs)
Testing cost (running the tests)
Testing Cost (wasted drug)
Picking the samples at CBP to send to Q Labs
Testing cost (wasted drug) to FDA
CBP cost (Logistics company)
CBP cost (customs broker)
Shipment processing at Premier Mid-America
Relabeling
Shipment processing at Premier Mid-America
Premier Markup
Shipment to participating pharmacies
Pharmacy Dispensing fee

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[12] https://www.fda.gov/media/158564/download?attachment

Using the supply chain cost components above, costs were estimated and then modeled using data provided by HCPF supplier partners. **Table 3.7** below shows the average supply chain costs. The supply chain cost data was provided in various formats (flat dollar per package, per unit, etc.) and here is shown converted to a per-unit basis. The per-unit supply chain costs decrease by year due to increases in the volume of imported drugs, which decreases the relative cost associated with program operations. The corresponding projected supply chain costs by drug are shown in appendix **Table A4**.

Table 3.7: Supply Chain Costs

Cohort	2025	2026	2027
Supply Chain Cost per Unit	$20.34	$17.88	$16.31

v. Patent Expirations

When the patent for a brand drug expires, lower-cost generic drugs may enter the market, bringing down costs due to both generic substitution and price cuts on the brand drug. We project reduced costs in the model due to the drop in market price for certain drugs. **Table 3.8** lists the estimated patent expiration dates for the SIP Selected Drugs projected to go off patent during the projection period.[13]

Table 3.8 Patent Expiration

Drug Name	Estimated Patent Expiration
Janumet	2026
Januvia	2027
Sprycel	2026
Triumeq	2027
Victoza 3 PAK	2023

Table 3.9 lists the market cost impact applied in the model due to the loss of exclusivity. These assumptions are based on a study of generic price relative to pre-expiration brand prices.[14] For the assumed market cost impact in our model, we apply half the impact from the study because we assume the SIP Selected Drug prices will drop only part-way to the generic price (as is normal after patent expiration). For each SIP Selected Drug projected to go off patent during the projection period, we apply the assumed market cost impact to both the US and Canadian cost per unit.

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[13] Estimated patent expiration years provided by HCPF.

[14] https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/price-declines-after-branded-medicines-lose-exclusivity-in-the-us.pdf

**Table 3.9: Price Reductions
after Loss of Exclusivity**

Years Since Loss of Exclusivity	Assumed Market Cost Impact
0	0.0%
1	-25.5%
2	-28.5%
3	-33.0%
4	-33.0%
5	-33.5%
6	-38.5%
7	-39.0%
8	-40.0%
9	-39.0%
10	-38.5%

vi. Trend Assumptions

The preceding subsections describe how we get the initial 2022 estimates for population, cost, and utilization. Here we describe the trend assumptions used to trend these values to the later years 2023-2027. The trend factors are the assumptions for year-to-year percentage increases in certain quantities, and are shown in **Table 3.10**.

The trend factors applied to the Colorado Commercial Insured Population are the enrollment growth percentages from the CMS National Health Care Expenditure Table 17.[15] (The projected negative trend in 2026 is due to the expiration of enhanced subsidies for Marketplace plans.)

In addition, L&E projected the total drug trend, which is made up of the utilization of drug units and cost per unit of the drugs in the SIP. To estimate this, we started with the total health care trend, which is assumed to be the Annual Growth Rate in Private Health Insurance spending per enrollee from the CMS National Health Care Expenditure Table 17. Pharmacy cost trend is approximately 1.6% higher than total health care trend.[16] Therefore, we assume the Total Pharmacy Cost Trend in the table is 1.6% higher than the Total Private Health Care Trend.

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[15] https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/projected
[16] https://healthcostinstitute.org/images/pdfs/HCCI_2021_Health_Care_Cost_and_Utilization_Report.pdf

The Total Pharmacy Cost Trend is composed of unit cost trend and utilization trend, such that Total Pharmacy Cost Trend = (1 + Pharmacy Unit Cost Trend) * (1 + Pharmacy Utilization Trend) − 1. Recent Colorado market data indicates about 2% Pharmacy Utilization Trend, so this is our Pharmacy Utilization Trend assumption.[17] Reversing the above equation, our estimate of the Pharmacy Unit Cost Trend (US) is then determined as Pharmacy Unit Cost Trend (US) = (1 + Total Pharmacy Cost Trend) ÷ (1 + Pharmacy Utilization Trend) - 1.

Canadian pharmacy unit cost trends have historically been lower than U.S. trends. We compared several data sources to estimate this trend gap and applied that to our U.S. Pharmacy Unit Cost Trend estimates to get our Canadian Pharmacy Unit Cost Trend estimates.[18]

We assume the same drug utilization in the Baseline Scenario and in the Plan Scenario. Specifically, we do not assume any increase in utilization (induced utilization) due to lower prices on imported SIP Selected Drugs.

Table 3.10: Trend Assumptions

Category	2023	2024	2025	2026	2027
Enrollment Growth	0.9%	0.7%	0.3%	-1.0%	0.1%
Total Private Health Care Trend	6.8%	6.8%	5.5%	5.3%	5.2%
Total Pharmacy Cost Trend	8.5%	8.5%	7.2%	7.0%	6.9%
Pharmacy Utilization Trend	2.0%	2.0%	2.0%	2.0%	2.0%
Pharmacy Unit Cost Trend (US)	6.4%	6.4%	5.1%	4.9%	4.8%
Pharmacy Unit Cost Trend (Canada)	3.4%	3.4%	2.1%	1.9%	1.8%

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[17] Health Care Cost Institute, Employer Sponsored Insurance, Colorado Average Pharmacy Utilization Trend, 2018-2021
[18] https://data.oecd.org/healthres/pharmaceutical-spending.htm

https://aspe.hhs.gov/sites/default/files/documents/a3849b001cb2b9b961a3b8399ddbfe23/sdp-trends-prescription-drug-spending.pdf

https://www.cihi.ca/en/national-health-expenditure-trends#data-tables

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C. Cost Savings Analysis

i. Baseline Scenario Projection

Using the data and assumptions described above, we constructed the model for cost savings. First we apply cost and utilization trends from **Table 3.10** as well as the patent expiration effect from **Table 3.9** (for individual drugs going off patent during the projection period) to the above data from **Table 3.3** and **Table 3.5** to project cost and utilization for future years. The result is shown in **Table 3.11**.

Table 3.11: Projected Unit Cost and Utilization - Including Patent Expiration Effect, Before Rebates and Supply Chain Costs

Category	2022	2023	2024	2025	2026	2027
Units per 1,000 People per Year	871	888	905	923	942	960
US Unit Cost	$79.37	$83.87	$89.15	$93.57	$96.96	$99.43
Canadian Unit Cost	$27.46	$28.39	$29.33	$29.92	$30.28	$30.30

Next, we make projections for the Baseline Scenario of the SIP Selected Drugs in the Colorado Commercial Insured Population. For each year, the projected units are calculated as the population from **Table 3.2** times the Units per 1,000 from **Table 3.11**, divided by 1,000. The projected cost is calculated as the projected units times the projected US Unit Cost from **Table 3.11**, discounted for the rebate assumption in **Table 3.4**. The projected cost per unit is the ratio of the projected cost to the projected units. These values are shown below in **Table 3.12**, and tie to appendix **Table A3**.

Table 3.12: Baseline Scenario Projection

Category	Units	Cost	Cost per Unit
2022	3,025,797	$195,808,489	$64.71
2023	3,113,266	$211,996,643	$68.09
2024	3,196,914	$230,223,404	$72.01
2025	3,269,769	$245,905,696	$75.21
2026	3,300,939	$255,821,712	$77.50
2027	3,369,433	$266,885,067	$79.21

ii. Plan Scenario Projection

We now project the Plan Scenario values. The projection occurs separately for the Plan Scenario Covered Individuals and the non-Plan Scenario Covered Individuals.

For the Plan Scenario Covered Individuals, for each year the Units are projected as the number of members from **Table 3.2** times the projected units per 1,000 from **Table 3.11** divided by 1,000. The Drug Cost is projected as the Units times the Canadian Unit Cost from **Table 3.11**. The projected Drug Cost per

Unit is the ratio of the projected Drug Cost to the projected Units. The Supply Chain Costs per Unit are from **Table 3.7**. The Supply Chain Cost is the Supply Chain Cost per Unit times the number of Units. The Total Cost is the sum of the Drug Cost and the Supply Chain Cost. These values are below in **Table 3.13**, and tie to appendix **Table A4**.

Table 3.13: Plan Scenario Projection - Plan Scenario Covered Individuals

Category	2025	2026	2027
Units	202,307	565,837	751,787
Drug Cost	$6,053,073	$17,135,390	$22,776,270
Drug Cost per Unit	$29.92	$30.28	$30.30
Supply Chain Cost per Unit	$20.34	$17.88	$16.31
Supply Chain Cost	$4,114,062	$10,119,597	$12,259,713
Total Cost	$10,167,136	$27,254,986	$35,035,983

For the Non-Plan Scenario Covered Individuals, for each year the units are projected as the number of members from **Table 3.2** times the projected units per 1,000 from **Table 3.11** divided by 1,000. The projected cost is calculated as the projected units times the projected US Unit Cost from **Table 3.11**, discounted for the rebate assumption in **Table 3.4**. The projected cost per unit is the ratio of the projected cost to the projected units, and it is identical to the projected cost per unit in the Baseline Scenario. These values are below in **Table 3.14**, and tie to appendix **Table A4**.

Table 3.14: Plan Scenario Projection - Non-Plan Scenario Covered Individuals

Category	2025	2026	2027
Units	3,067,462	2,735,102	2,617,646
Cost	$230,691,047	$211,969,493	$207,337,713
Cost per Unit	$75.21	$77.50	$79.21

iii. Savings

Finally, the cost savings are calculated as the difference between the total cost in the Baseline Scenario and the total cost in the Plan Scenario (both Plan Scenario Covered Individuals and non-Plan Scenario Covered Individuals). This is illustrated below in **Table 3.15**.

We expect most of these savings will be passed on to the Colorado consumer in the form of (1) lower premiums and (2) lower out of pocket expenses, or "cost share." In 2022, Coloradans paid for 6.5% of the cost of these drugs in the form of copays, coinsurance, and deductibles while the plan paid for 93.5% of the total cost. The last two rows of **Table 3.15** illustrate how the savings would be divided between cost share reductions and premium reductions, under the assumption that the total savings are allocated 6.5% to cost-sharing and 93.5% to premium.

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Table 3.15: Cost Savings (all figures in millions except packages)

Cohort	2022	2023	2024	2025	2026	2027
Baseline Scenario Units	3.0	3.1	3.2	3.3	3.3	3.4
Baseline Scenario Total Cost (Net Rebates)	$195.8	$212.0	$230.2	$245.9	$255.8	$266.9
Plan Scenario						
Units (SIP Participation)				0.2	0.6	0.8
Packages (SIP Participation)				8,289	23,185	30,804
Drug Cost				$6.1	$17.1	$22.8
Supply Chain Cost				$4.1	$10.1	$12.3
Total Cost (SIP Participation)				$10.2	$27.3	$35.0
Units (SIP Non-Participation)				3.1	2.7	2.6
Total Cost (SIP Non-Participation)				$230.7	$212.0	$207.3
Total Cost				$240.9	$239.2	$242.4
Plan Scenario Savings versus Baseline						
Total Savings				$5.0	$16.6	$24.5
Savings - Member Cost Share				$0.3	$1.1	$1.6
Savings - Premium				$4.7	$15.5	$22.9

D. Sources of Uncertainty and Alternate Scenario Analysis

Major sources of uncertainty in the analysis include, but are not limited to, the following.

- The Plan Scenario Covered Individual population, which is the SIP market share of the Colorado Commercial Insured Population, could be smaller or larger than assumed.
- The size of the Colorado Commercial Insured Population might be different than predicted; for example, depending on federal action to extend ACA subsidies that are currently set to expire in 2026.
- The unit costs and utilization projected for the SIP Selected Drugs might vary significantly from the assumptions, due to changes in medical practice or other forces affecting pharmacy trends.
- The model assumes the SIP will purchase SIP Selected Drugs at Canadian prices. If the SIP must pay a higher price, the savings would decrease.
- Commercial drug rebate amounts are kept confidential and difficult to verify. Actual rebates might vary significantly from the assumptions.
- Patent expiration dates and cost effects are hard to predict due to legal challenges and business decisions.

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The change in cost savings due to moderate variance in some assumptions is presented in **Table 3.16** below. The first row, Standard Assumptions, is the model output using our "best estimate" assumptions, which indicates $46.2 million in savings for the 2025-2027 period. The other rows present various alternate scenarios due to changed assumptions. These scenarios generate a range of cost saving estimates from $23.1 million to $69.2 million. We consider this a reasonable range to represent moderate variance.

Certainly, actual future developments will deviate from any model. Should the SIP be approved and implemented, similar data sources and methods to those used for this analysis can be applied to determine the actual SIP experience compared to this model.

Table 3.16 Alternate Scenario
Cost Savings (in Millions)

Scenario Description	2025	2026	2027		2025 - 2027
Standard Assumptions	**$5.0**	**$16.6**	**$24.5**		**$46.2**
US Excess CAN Drug Trend Growth Decreased by 2%	$4.6	$15.0	$21.7		$41.3
US Excess CAN Drug Trend Growth Increased by 2%	$5.4	$18.1	$27.1		$50.6
2022 Brand and Specialty Rebate Assumption Increased by 10%	$3.5	$12.0	$18.3		$33.7
2022 Brand and Specialty Rebate Assumption Decreased by 5%	$5.8	$18.9	$27.6		$52.4
SIP Participation Scaled by 50%	$2.5	$8.3	$12.3		$23.1
SIP Participation Scaled by 150%	$7.6	$24.9	$36.8		$69.2
No Patent Expiration	$5.1	$17.2	$25.7		$48.1
Canadian Drug Price Increased by 10%	$4.0	$13.9	$21.0		$39.0

Section 4: Caveats, Reliance

This report was developed to comply with the requirements of projecting cost savings for the American Consumer in SIP proposals, as described in 21 USC § 384 and the FDA's final rule setting the regulatory framework for state-led importation programs.[19]

HCPF is the primary intended user of this report, with the understanding that it will be shared with the appropriate representatives of ASPE.

Tom Roberts is the actuary responsible for this communication. He is a Fellow of the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA) in good standing. He meets the Qualification Standards required to publish this report.

The responsible actuary listed above is financially independent and free from conflict related to this report and the supporting analysis performed for this study.

L&E relied upon CIVHC data, other information provided by HCPF, and the contained references. L&E has reviewed the data and assumptions for reasonableness but has not performed an independent audit. To the extent that information provided is inaccurate or incomplete, the analysis could be materially impacted. L&E does not have unresolved concerns about the data or other information relevant to the use of the data that could have a significant effect on the actuarial work product.

This report was developed in December 2023, and amended in March 2025 to remove several drugs from the model. There are many future developments that could materially change these results including court rulings, new regulations, or a material change to the health care markets and trends in general. In addition, any changes made to the parameters or structure of the SIP could have a material impact on the outcomes outlined above. These subsequent events are not included in this report and should be carefully considered by qualified experts before applying the findings contained within this report.

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[19] https://www.fda.gov/media/158564/download?attachment

Appendix – Drug Cost Detail

Table A1: SIP Drug List

Drug Index	Drug Name	Strength	SIP Package Size	National Drug Code
1	Biktarvy	50-200-25mg	30	61958-2501-1
2	Eliquis	2.5mg	60	0003-0893-21 0003-0893-31
3	Erleada	60mg	120	59676-600-12
4	Janumet	50/500mg	60	0006-0575-61 0006-0575-62
5	Janumet	50/1000mg	60	0006-0577-61 0006-0577-62 0006-0577-82
6	Januvia	25mg	30	0006-0221-31 0006-0221-54
7	Januvia	50mg	30	0006-0112-31 0006-0112-54
8	Januvia	100mg	30	0006-0277-31 0006-0277-54 0006-0277-82
9	Odefsey	200-25-25mg	30	61958-2101-1
10	Otezla	30mg	60	55513-137-60
11	Ozempic	OZEMPIC MULTIDOSE PREFILLED PEN 0.25MG OR 0.5MG	2	0169-4132-12
12	Ozempic	OZEMPIC 1MG	3	0169-4130-13
13	Prezcobix	800/150	30	59676-575-30
14	Rinvoq	ER 15	30	0074-2306-30
15	Sprycel	100mg	30	0003-0852-22
16	Symtuza	800/150/200/10	30	59676-800-30
17	Tivicay	50mg	30	49702-228-13
18	Trikafta	100/50/75 and ivacaftor 150 mg tablets	84	51167-331-01
19	Triumeq	600-50-300mg	30	49702-231-13
20	Victoza 3 PAK	18mg/3mL	9	0169-4060-13

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Table A2: SIP Drug List, 2022 Price Comparison, Before Supply Chain Costs, Gross of Rebates

Drug Index	Drug Name	2022 APCD Cost	2022 APCD Units	2022 APCD Cost Per Unit	2022 Canadian Drug Cost per Unit	Importation Discount
	Average	$145,931,947	1,838,732	$79.37	$27.46	65.4%
1	Biktarvy	$39,382,187	366,669	$107.41	$31.30	70.9%
2	Eliquis	$3,326,913	401,353	$8.29	$1.30	84.3%
3	Erleada	$3,488,594	32,610	$106.98	$24.85	76.8%
4	Janumet	$174,126	22,166	$7.86	$1.42	81.9%
5	Janumet	$736,114	94,183	$7.82	$1.42	81.8%
6	Januvia	$285,379	18,533	$15.40	$2.62	83.0%
7	Januvia	$910,931	61,694	$14.77	$2.62	82.3%
8	Januvia	$3,816,218	243,335	$15.68	$2.62	83.3%
9	Odefsey	$3,972,824	40,970	$96.97	$33.81	65.1%
10	Otezla	$8,736,799	133,486	$65.45	$16.41	74.9%
11	Ozempic	$10,428,129	20,529	$507.98	$112.18	77.9%
12	Ozempic	$10,745,042	39,669	$270.87	$56.09	79.3%
13	Prezcobix	$1,049,529	17,078	$61.46	$20.10	67.3%
14	Rinvoq	$8,982,928	50,340	$178.45	$41.24	76.9%
15	Sprycel	$5,886,309	11,664	$504.66	$106.16	79.0%
16	Symtuza	$1,364,419	10,102	$135.06	$40.78	69.8%
17	Tivicay	$3,918,667	76,925	$50.94	$17.19	66.3%
18	Trikafta	$28,788,274	97,272	$295.96	$203.12	31.4%
19	Triumeq	$6,127,785	62,856	$97.49	$38.59	60.4%
20	Victoza 3 PAK	$3,810,781	37,299	$102.17	$26.68	73.9%

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Table A3: Drug Projections - Baseline Scenario 2022

	Total	3,025,797	$64.71	$195,808,489
Drug Index	**Drug Name**	**Quantity**	**Cost Per Unit**	**Total Cost**
1	Biktarvy	603,386	$92.23	$55,653,068
2	Eliquis	660,462	$5.80	$3,828,246
3	Erleada	53,663	$91.87	$4,929,919
4	Janumet	36,476	$5.49	$200,365
5	Janumet	154,987	$5.47	$847,039
6	Januvia	30,498	$10.77	$328,383
7	Januvia	101,523	$10.32	$1,048,200
8	Januvia	400,429	$10.97	$4,391,285
9	Odefsey	67,420	$75.83	$5,112,431
10	Otezla	219,663	$51.18	$11,242,955
11	Ozempic	33,781	$397.24	$13,419,444
12	Ozempic	65,278	$211.82	$13,827,264
13	Prezcobix	28,103	$48.06	$1,350,587
14	Rinvoq	82,839	$139.54	$11,559,687
15	Sprycel	19,194	$433.37	$8,318,258
16	Symtuza	16,624	$105.62	$1,755,803
17	Tivicay	126,587	$39.84	$5,042,739
18	Trikafta	160,070	$254.15	$40,682,245
19	Triumeq	103,435	$76.24	$7,885,543
20	Victoza 3 PAK	61,379	$71.44	$4,385,029

Table A3: Drug Projections - Baseline Scenario 2023

Drug Index	Drug Name	Quantity	Cost Per Unit	Total Cost
	Total	3,113,266	$68.09	$211,996,643
1	Biktarvy	620,829	$97.75	$60,685,067
2	Eliquis	679,555	$6.11	$4,148,859
3	Erleada	55,214	$97.36	$5,375,668
4	Janumet	37,531	$5.79	$217,146
5	Janumet	159,467	$5.76	$917,978
6	Januvia	31,379	$11.34	$355,885
7	Januvia	104,458	$10.88	$1,135,986
8	Januvia	412,005	$11.55	$4,759,052
9	Odefsey	69,369	$80.15	$5,560,014
10	Otezla	226,013	$54.10	$12,227,254
11	Ozempic	34,758	$419.88	$14,594,291
12	Ozempic	67,165	$223.89	$15,037,814
13	Prezcobix	28,916	$50.80	$1,468,828
14	Rinvoq	85,234	$147.50	$12,571,715
15	Sprycel	19,749	$459.28	$9,070,372
16	Symtuza	17,104	$111.64	$1,909,520
17	Tivicay	130,246	$42.11	$5,484,221
18	Trikafta	164,697	$269.35	$44,360,623
19	Triumeq	106,425	$80.58	$8,575,907
20	Victoza 3 PAK	63,153	$56.06	$3,540,443

Table A3: Drug Projections - Baseline Scenario
2024

Drug Index	Drug Name	Quantity	Cost Per Unit	Total Cost
	Total	3,196,914	$72.01	$230,223,404
1	Biktarvy	637,510	$103.59	$66,039,935
2	Eliquis	697,813	$6.43	$4,486,966
3	Erleada	56,697	$103.18	$5,850,019
4	Janumet	38,539	$6.09	$234,842
5	Janumet	163,751	$6.06	$992,787
6	Januvia	32,222	$11.94	$384,887
7	Januvia	107,264	$11.45	$1,228,562
8	Januvia	423,075	$12.17	$5,146,886
9	Odefsey	71,233	$84.72	$6,034,547
10	Otezla	232,086	$57.18	$13,270,818
11	Ozempic	35,692	$443.79	$15,839,876
12	Ozempic	68,970	$236.64	$16,321,252
13	Prezcobix	29,693	$53.69	$1,594,189
14	Rinvoq	87,524	$155.90	$13,644,678
15	Sprycel	20,280	$486.73	$9,870,744
16	Symtuza	17,564	$118.00	$2,072,493
17	Tivicay	133,746	$44.50	$5,952,285
18	Trikafta	169,122	$285.44	$48,275,017
19	Triumeq	109,285	$85.17	$9,307,839
20	Victoza 3 PAK	64,850	$56.67	$3,674,780

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Table A3: Drug Projections - Baseline Scenario 2025

	Total	3,269,769	$75.21	$245,905,696
Drug Index	**Drug Name**	**Quantity**	**Cost Per Unit**	**Total Cost**
1	Biktarvy	652,038	$108.44	$70,709,511
2	Eliquis	713,716	$6.69	$4,774,034
3	Erleada	57,990	$108.01	$6,263,664
4	Janumet	39,417	$6.34	$249,867
5	Janumet	167,483	$6.31	$1,056,304
6	Januvia	32,957	$12.43	$409,512
7	Januvia	109,709	$11.91	$1,307,163
8	Januvia	432,716	$12.66	$5,476,174
9	Odefsey	72,856	$88.45	$6,443,887
10	Otezla	237,375	$59.70	$14,171,014
11	Ozempic	36,505	$463.34	$16,914,338
12	Ozempic	70,541	$247.07	$17,428,368
13	Prezcobix	30,369	$56.05	$1,702,327
14	Rinvoq	89,518	$162.76	$14,570,234
15	Sprycel	20,742	$509.54	$10,568,689
16	Symtuza	17,964	$123.19	$2,213,075
17	Tivicay	136,794	$46.46	$6,356,045
18	Trikafta	172,976	$298.82	$51,688,465
19	Triumeq	111,775	$88.92	$9,939,215
20	Victoza 3 PAK	66,328	$55.24	$3,663,810

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Table A3: Drug Projections - Baseline Scenario 2026

Drug Index	Drug Name	Quantity	Cost Per Unit	Total Cost
	Total	3,300,939	$77.50	$255,821,712
1	Biktarvy	658,254	$113.31	$74,585,239
2	Eliquis	720,519	$6.94	$5,003,611
3	Erleada	58,542	$112.86	$6,606,988
4	Janumet	39,793	$4.90	$195,102
5	Janumet	169,080	$4.88	$824,790
6	Januvia	33,271	$12.90	$429,205
7	Januvia	110,755	$12.37	$1,370,023
8	Januvia	436,841	$13.14	$5,739,516
9	Odefsey	73,550	$92.16	$6,778,645
10	Otezla	239,638	$62.21	$14,907,193
11	Ozempic	36,853	$482.81	$17,793,031
12	Ozempic	71,214	$257.45	$18,333,765
13	Prezcobix	30,659	$58.41	$1,790,762
14	Rinvoq	90,372	$169.60	$15,327,152
15	Sprycel	20,940	$396.63	$8,305,244
16	Symtuza	18,135	$128.37	$2,328,044
17	Tivicay	138,098	$48.42	$6,686,239
18	Trikafta	174,625	$312.22	$54,521,611
19	Triumeq	112,841	$92.66	$10,455,554
20	Victoza 3 PAK	66,960	$57.35	$3,839,998

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Table A3: Drug Projections - Baseline Scenario 2027

Drug Index	Drug Name	Quantity	Cost Per Unit	Total Cost
	Total	3,369,433	$79.21	$266,885,067
1	Biktarvy	671,912	$118.28	$79,470,841
2	Eliquis	735,470	$7.20	$5,296,903
3	Erleada	59,757	$117.81	$7,039,770
4	Janumet	40,619	$4.88	$198,222
5	Janumet	172,588	$4.86	$837,976
6	Januvia	33,961	$9.97	$338,500
7	Januvia	113,053	$9.56	$1,080,494
8	Januvia	445,906	$10.15	$4,526,579
9	Odefsey	75,077	$95.94	$7,202,867
10	Otezla	244,610	$64.76	$15,840,117
11	Ozempic	37,618	$502.59	$18,906,557
12	Ozempic	72,692	$268.00	$19,481,130
13	Prezcobix	31,295	$60.80	$1,902,832
14	Rinvoq	92,247	$176.55	$16,286,358
15	Sprycel	21,374	$397.35	$8,492,922
16	Symtuza	18,512	$133.63	$2,473,738
17	Tivicay	140,963	$50.40	$7,104,678
18	Trikafta	178,249	$325.91	$58,092,973
19	Triumeq	115,182	$71.86	$8,276,864
20	Victoza 3 PAK	68,350	$59.03	$4,034,747

Table A4: Drug Projections - Plan Scenario 2025

		Plan Scenario Covered Individuals				Other Individuals		
	Total	202,307	$29.92	$20.34	$10,167,136	3,067,462	$75.21	$230,691,047
Drug Index	Drug Name	Quantity	Cost Per Unit	SIP Supply Chain Cost Per Unit	Total Cost	Quantity	Cost Per Unit	Total Cost
1	Biktarvy	40,343	$34.17	$24.80	$2,379,022	611,695	$108.44	$66,334,581
2	Eliquis	44,159	$1.42	$2.56	$175,957	669,557	$6.69	$4,478,655
3	Erleada	3,588	$27.13	$25.44	$188,620	54,402	$108.01	$5,876,120
4	Janumet	2,439	$1.55	$7.31	$21,602	36,978	$6.34	$234,407
5	Janumet	10,362	$1.55	$4.04	$57,918	157,121	$6.31	$990,948
6	Januvia	2,039	$2.86	$10.01	$26,233	30,918	$12.43	$384,174
7	Januvia	6,788	$2.86	$7.19	$68,221	102,921	$11.91	$1,226,286
8	Januvia	26,773	$2.86	$5.91	$234,697	405,943	$12.66	$5,137,353
9	Odefsey	4,508	$36.91	$28.70	$295,729	68,348	$88.45	$6,045,192
10	Otezla	14,687	$17.91	$17.75	$523,764	222,688	$59.70	$13,294,227
11	Ozempic	2,259	$122.47	$174.72	$671,233	34,247	$463.34	$15,867,816
12	Ozempic	4,365	$61.23	$87.36	$648,533	66,177	$247.07	$16,350,042
13	Prezcobix	1,879	$21.94	$27.84	$93,544	28,490	$56.05	$1,597,001
14	Rinvoq	5,539	$45.02	$33.09	$432,647	83,980	$162.76	$13,668,746
15	Sprycel	1,283	$115.89	$85.04	$257,866	19,458	$509.54	$9,914,784
16	Symtuza	1,111	$44.52	$58.23	$114,200	16,853	$123.19	$2,076,148
17	Tivicay	8,464	$18.77	$17.39	$305,992	128,330	$46.46	$5,962,785
18	Trikafta	10,702	$221.74	$52.54	$2,935,468	162,274	$298.82	$48,490,402
19	Triumeq	6,916	$42.13	$33.53	$523,201	104,859	$88.92	$9,324,257
20	Victoza 3 PAK	4,104	$26.20	$25.63	$212,686	62,224	$55.24	$3,437,123

Table A4: Drug Projections - Plan Scenario 2026

		Plan Scenario Covered Individuals				Other Individuals		
	Total	565,837	$30.28	$17.88	$27,254,986	2,735,102	$77.50	$211,969,493
Drug Index	Drug Name	Quantity	Cost Per Unit	SIP Supply Chain Cost Per Unit	Total Cost	Quantity	Cost Per Unit	Total Cost
1	Biktarvy	112,836	$34.83	$19.97	$6,183,807	545,418	$113.31	$61,800,052
2	Eliquis	123,509	$1.45	$2.42	$477,819	597,010	$6.94	$4,145,906
3	Erleada	10,035	$27.65	$17.02	$448,305	48,507	$112.86	$5,474,437
4	Janumet	6,821	$1.18	$2.98	$28,337	32,972	$4.90	$161,659
5	Janumet	28,983	$1.18	$2.28	$100,326	140,097	$4.88	$683,407
6	Januvia	5,703	$2.91	$8.11	$62,872	27,568	$12.90	$355,632
7	Januvia	18,985	$2.91	$6.55	$179,577	91,769	$12.37	$1,135,177
8	Januvia	74,882	$2.91	$5.47	$627,330	361,959	$13.14	$4,755,665
9	Odefsey	12,608	$37.62	$28.05	$827,925	60,943	$92.16	$5,616,669
10	Otezla	41,078	$18.26	$18.10	$1,493,331	198,560	$62.21	$12,351,845
11	Ozempic	6,317	$124.84	$158.43	$1,789,475	30,536	$482.81	$14,743,001
12	Ozempic	12,207	$62.42	$79.21	$1,728,957	59,007	$257.45	$15,191,044
13	Prezcobix	5,255	$22.37	$27.54	$262,298	25,403	$58.41	$1,483,795
14	Rinvoq	15,491	$45.89	$33.73	$1,233,541	74,880	$169.60	$12,699,816
15	Sprycel	3,589	$88.01	$51.24	$499,833	17,350	$396.63	$6,881,583
16	Symtuza	3,109	$45.38	$54.54	$310,627	15,027	$128.37	$1,928,977
17	Tivicay	23,672	$19.13	$17.72	$872,444	114,425	$48.42	$5,540,104
18	Trikafta	29,934	$226.04	$43.92	$8,080,877	144,691	$312.22	$45,175,674
19	Triumeq	19,343	$42.94	$32.94	$1,467,782	93,498	$92.66	$8,663,293
20	Victoza 3 PAK	11,478	$26.71	$23.78	$579,525	55,482	$57.35	$3,181,756

Table A4: Drug Projections - Plan Scenario 2027

		Plan Scenario Covered Individuals				Other Individuals		
	Total	751,787	$30.30	$16.31	$35,035,983	2,617,646	$79.21	$207,337,713
Drug Index	Drug Name	Quantity	Cost Per Unit	SIP Supply Chain Cost Per Unit	Total Cost	Quantity	Cost Per Unit	Total Cost
1	Biktarvy	149,917	$35.47	$20.34	$8,367,381	521,995	$118.28	$61,739,320
2	Eliquis	164,098	$1.48	$2.27	$614,265	571,372	$7.20	$4,115,059
3	Erleada	13,333	$28.16	$14.74	$572,007	46,424	$117.81	$5,469,057
4	Janumet	9,063	$1.15	$2.78	$35,619	31,556	$4.88	$153,994
5	Janumet	38,508	$1.15	$2.10	$125,274	134,080	$4.86	$651,007
6	Januvia	7,577	$2.21	$5.97	$61,940	26,384	$9.97	$262,974
7	Januvia	25,224	$2.21	$4.78	$176,235	87,828	$9.56	$839,415
8	Januvia	99,490	$2.21	$3.96	$613,498	346,415	$10.15	$3,516,609
9	Odefsey	16,751	$38.31	$26.10	$1,079,017	58,325	$95.94	$5,595,764
10	Otezla	54,577	$18.59	$16.79	$1,931,290	190,033	$64.76	$12,305,872
11	Ozempic	8,393	$127.13	$148.00	$2,309,290	29,225	$502.59	$14,688,129
12	Ozempic	16,219	$63.57	$74.00	$2,231,192	56,473	$268.00	$15,134,504
13	Prezcobix	6,983	$22.78	$26.34	$342,979	24,312	$60.80	$1,478,272
14	Rinvoq	20,582	$46.74	$29.99	$1,579,310	71,665	$176.55	$12,652,548
15	Sprycel	4,769	$86.02	$41.34	$607,395	16,605	$397.35	$6,597,982
16	Symtuza	4,130	$46.22	$52.28	$406,801	14,381	$133.63	$1,921,798
17	Tivicay	31,452	$19.48	$16.54	$1,132,836	109,512	$50.40	$5,519,484
18	Trikafta	39,771	$230.20	$38.18	$10,673,437	138,478	$325.91	$45,131,279
19	Triumeq	25,699	$32.58	$23.21	$1,433,854	89,483	$71.86	$6,430,131
20	Victoza 3 PAK	15,250	$27.00	$21.68	$742,363	53,099	$59.03	$3,134,515

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