May 8, 2019

The Honorable Richard Pan
Chair, California Senate Committee on Health
State Capitol, Room 4203
Sacramento, CA 95814

Via E-mail only

Dear Senator Pan:

The California Health Benefits Review Program (CHBRP) was asked by the Senate Health Committee on February 28, 2019 to analyze Senate Bill (SB) 159 (Wiener), *HIV Prophylaxis*. SB 159 was amended on April 11, 2019 and again on April 30, 2019. The Senate Health Committee requested an updated analysis incorporating the additional amendments, to be delivered after the Committee Hearing. CHBRP is pleased to provide updated cost and public health findings to its original report.[1]

Bill Summary

SB 159:

- Prohibits commercial plans and policies and CalPERS from placing prior authorization or step therapy requirements on the provision of medically necessary pre-exposure prophylaxis (PrEP) or post-exposure prophylaxis (PEP) to prevent HIV; and
- Expands the scope of practice to enable pharmacists to independently furnish PrEP and PEP to Californians.

While the overarching provisions of the bill remain similar between versions, there are substantial differences between the versions CHBRP previously analyzed and the version of SB 159 as amended on April 11th and April 30th. The most substantial change is the removal of the provision enabling pharmacists to independently furnish PrEP past the initial 30-day supply. Table 1 below provides an overview of the differences between versions of SB 159.

[1] CHBRP's analysis of SB 159 HIV Prophylaxis, published on April 19, 2019, is available at http://chbrp.com/completed_analyses/index.php.

Table 1. Comparison of Key Provisions of SB 159 as previously analyzed by CHBRP and as amended on April 11th and April 30th.

SB 159 as introduced and amended on April 1st	SB 159 as amended on April 11th and April 30th
Health Insurance Coverage Components	
Prohibits commercial plans and policies and CalPERS from placing prior authorization or step therapy requirements on the provision of medically necessary pre-exposure prophylaxis (PrEP) or post-exposure prophylaxis (PEP) to prevent HIV	No change.
N/A	Plans and policies shall not prohibit a pharmacy provider from dispensing PrEP or PEP.
N/A	Does not require plans to cover PrEP and PEP when dispensed by a pharmacist at an out-of-network pharmacy, unless the plan has an out-of-network benefit. (Does not apply to CDI-regulated policies)
Pharmacist Dispensing- Complete Course of PEP	
Screens the patient and determines the exposure meets the clinical criteria for consideration of PEP consistent with the most recent guidelines from the CDC.	No change.
Provides HIV testing or determines the patient is willing to receive an HIV test.	No change.
Documents the services provided in the patient's health record and notifies the patient's primary care provider. If the patient does not have a primary care provider or refuses to consent to this notification, the pharmacist shall provide a list of health care service providers to contact regarding follow up care.	Removes the requirement for the pharmacist to document provision of PEP in the patient's health record.
N/A	Prohibits a pharmacist from independently furnishing PEP to a single individual more than two times in a calendar year.
Pharmacist Dispensing- Initial 30-day Supply of PrEP	
Screens the patient for HIV and confirms a negative test result or determines the patient has recently had a negative HIV test.	Determines the patient is HIV negative, as documented by a negative HIV test result obtained within the previous seven days from an HIV antigen/antibody test or antibody-only test, or from a rapid, point-of-care fingerstick blood test approved by the federal Food and Drug Administration. If the patient does not provide evidence of a negative HIV test in accordance with this paragraph, the pharmacist shall order an HIV test.

N/A	The pharmacist shall notify the patient that the patient must be seen by a primary care provider to receive subsequent prescriptions for PrEP.
N/A	The patient reports having normal kidney function, and the pharmacist orders a test to measure kidney function. The patient shall provide contact information for the patient and sign an agreement to stop taking PrEP if laboratory results indicate that the patient should not take PrEP. The pharmacist shall contact the patient if laboratory results indicate that the patient should not take PrEP.
Documents the services provided in the patient's health record and notifies the patient's primary care provider. If the patient does not have a primary care provider or refuses to consent to this notification, the pharmacist shall provide a list of health care service providers to contact regarding ongoing care.	No change.
N/A	A pharmacist may not furnish a 30-day supply of PrEP to a single patient more than once every two years, unless otherwise directed by a prescriber.
Pharmacist Dispensing- Ongoing Provision of PrEP	
Ensures the patient is clinically eligible for use of PrEP consistent with the most recent guidelines from the federal Centers for Disease Control and Prevention, which may include providing or determining the patient has received timely testing and treatment, as applicable, for HIV, renal function, hepatitis B, hepatitis C, sexually transmitted diseases, and pregnancy for individuals of child-bearing capacity.	SB 159 removes the provision enabling pharmacists to independently furnish renewed prescriptions for PrEP.

SB 159 requires pharmacists to complete specified training and provide patient education and counseling before independently furnishing PrEP and PEP.

Additionally, SB 159 as amended adds the following definitions:

- Pre-exposure prophylaxis: a fixed-dose combination of tenofovir disoproxil fumarate (TDF) (300 mg) with emtricitabine (FTC) (200 mg), or another drug or drug combination that meets the same clinical eligibility recommendations provided in CDC guidelines.
- Post-exposure pophylaxis:
    - Tenofovir disoproxil fumarate (TDF) (300 mg) with emtricitabine (FTC) (200 mg), taken once daily, in combination with either raltegravir (400 mg), taken twice daily, or dolutegravir (50 mg), taken once daily; or

    - Tenofovir disoproxil fumarate (TDF) (300 mg) and emtricitabine (FTC) (200 mg), taken once daily, in combination with darunavir (800 mg) and ritonavir (100 mg), taken once daily.
- CDC guidelines means either of the following publications published by the CDC:
    - 2017 Preexposure Prophylaxis for the Prevention of HIV Infection in the United States – 2017 Update: A Clinical Practice Guideline; or
    - Updated Guidelines for Antiretroviral Postexposure Prophylaxis After Sexual, Injection Drug Use, or Other Nonoccupational Exposure to HIV – United States, 2016.

As discussed in the Policy Context Section of CHBRP's full analysis of SB 159, scope of practice for pharmacists is regulated through section 4052 of the Business and Professions Code and identifies medications pharmacists are currently able to independently furnish. SB 159 adds PrEP and PEP to this list of medications.

The changes to the Welfare and Institutions Code remain unchanged between versions.

Key Assumptions

In the previous analysis, CHBRP assumed utilization of PrEP and PEP would increase by 2%. This assumption is dependent upon pharmacists obtaining the required training and enrollees seeking out these prescriptions. Because pharmacists would no longer be able to independently furnish ongoing prescriptions of PrEP due to the most recent SB 159 amendments, it was unclear whether pharmacists would still pursue the required training to prescribe PEP and the initial course of PrEP. However, after conferring with CHBRP's content expert, CHBRP maintains the assumed utilization increase of 2% for the initial dose of PrEP and PEP. Because the amendments did not substantially alter the provisions impacting pharmacist furnishing of PEP, there is no reason to assume a change in utilization. Additionally, the amendments impacting pharmacist furnishing of PrEP remove some of the laboratory testing requirements and may encourage pharmacists to take the required training who otherwise were deterred by this requirement.

SB 159 requires enrollees to see a primary care provider to obtain continued care and PrEP prescriptions. Because enrollees would now need to change providers to continue receiving the prescription, CHBRP assumed 1.8% of enrollees would continue receiving PrEP prescriptions from a primary care provider. This is based on an analysis by Hevey et al. (2018)[2] that found among patients who went to an initial PrEP appointment, 6.7% decided to not start PrEP after their first visit.

CHBRP's approach and assumptions remain consistent with the approach taken in CHBRP's previous analysis, unless otherwise noted above.

Benefit Coverage, Utilization, and Cost Impacts

Unless noted below, findings are consistent based on CHBRP's initial analysis of SB 159 and the analysis of the April 30th amendments.

Baseline and Postmandate Benefit Coverage

[2] Hevey MA, Walsh JL and Petroll AE. PrEP continuation, HIV and STI testing rates, and delivery of preventive care in a clinic-based cohort. *AIDS Education and Prevention*. 2018. 30(5): 393-405.

Benefit coverage remains consistent between versions of SB 159. 100% of enrollees currently have coverage for PrEP and PEP without prior authorization and step therapy and 0% of enrollees are able to obtain PrEP and PEP directly from a pharmacist without a prescription from another provider. Postmandate, 100% of enrollees will be able to obtain PrEP and PEP directly from a pharmacist.

As mentioned in CHBRP's previously published analysis of SB 159, CHBRP surveys the largest insurance carriers within California to determine current levels of benefit coverage. The responses to these surveys account for 74% of enrollees. CHBRP assumes benefit coverage for these enrollees is representative of the remaining share of enrollees. It is possible that some enrollees have benefit coverage that differs from this larger group, and therefore these enrollees would experience outcomes different than those presented below.

Baseline and Postmandate Utilization

At baseline, CHBRP estimates there are 29,395 users of PrEP and 6,055 users of PEP with commercial and CalPERS coverage. Post mandate, CHBRP assumes the projected utilization will initially increase by 2% due to increased access to PrEP and PEP directly from a pharmacist. Postmandate, 588 enrollees would initially seek PrEP directly from a pharmacist and 547 (93.3%) of these new PrEP users would continue seeking PrEP from a primary care provider. CHBRP estimates a total of 29,942 enrollees would use PrEP for more than one month, postmandate. Additionally, there would be an estimated 6,176 users of PEP postmandate.

Provision of PrEP and PEP are "carved out" of Medi-Cal Managed Care plans and COHS and are instead provided through the fee-for-service program. Although not shown in Table 2, CHBRP estimates that utilization of PrEP will increase from 9,000 baseline to 9,180 postmandate (2% utilization increase). Of the 180 new users of PrEP, 168 will continue seeking PrEP through a primary care provider. The increase in utilization is estimated to increase state Medi-Cal expenditures by $1,257,000.

CHBRP is unable to estimate utilization changes of PEP within Medi-Cal due to lack of data.

Enrollees use an average of 6.002 scrips of PrEP per year at baseline. The average number of scripts per user decreases slightly to 5.995 due to not all of the new PrEP users seeking ongoing care from a primary care provider. Additionally, some PrEP users initiate use mid-way through the year, which results in a lower annual average per user.

Baseline and Postmandate Per-Unit Cost

The cost of the initial 30-day supply of PrEP is $2,163.97 and the average cost of ongoing PrEP prescriptions is $10,823.79 for the remaining portion of the year.[3] The annual average prescription drug regimen cost per user of PrEP and PEP would decrease from $13,822.24 at baseline to

[3] Depending upon when an enrollee initiates PrEP, they may only use PrEP for part of the year, which results in a lower annual average cost per user. For example, an enrollee initiating PrEP in June will receive the initial 30-day supply followed by six additional months of PrEP use, assuming the enrollee continues taking PrEP.

$13,810.45 postmandate, a reduction of $11.79. This is due to some enrollees beginning PrEP but not continuing care with a primary care provider.

Baseline and Postmandate Expenditures and Premiums

Table 3 and Table 4 present baseline and postmandate expenditures by market segment for DMHC-regulated plans and CDI-regulated policies. The tables present per member per month (PMPM) premiums, enrollee expenses for both covered and noncovered benefits, and total expenditures (premiums as well as enrollee expenses).

SB 159 would increase total net annual expenditures by $11,289,000 or 0.0071% for enrollees with DMHC-regulated plans and CDI-regulated policies. This is due to a $10,836,000 increase in total health insurance premiums paid by employers and enrollees due to an increase in utilization of PrEP and PEP, adjusted by an increase in enrollee expenses for covered benefits of $453,000.

CHBRP estimates total Medi-Cal expenditures would increase by $1,257,000.

Changes in premiums as a result of SB 159 would vary by market segment. Note that such changes are related to the number of enrollees (see Table 2, Table 3, and Table 4), with health insurance that would be subject to SB 159. Increases in private insurance premiums range from a high of $0.0593 PMPM among DMHC and CDI-regulated small group plans to a low of $0.0452 PMPM among CalPERS HMOs.

Among publicly funded DMHC-regulated health plans, CHBRP estimates no change in DMHC-regulated Medi-Cal Managed Care premiums since PrEP and PEP are paid for by FFS Medi-Cal.

Public Health Impacts

In the first year postmandate, CHBRP estimates 768 additional enrollees will obtain the initial 30-day supply of PrEP through pharmacists, and 715 enrollees would continue seeking prescriptions of PrEP through a primary care provider. The 715 new ongoing users of PrEP would result in a reduction of 24 new HIV cases. For the 121 additional enrollees who will obtain PEP through pharmacists, a small reduction in the number of new HIV cases would be expected as well.

Previously, CHBRP posited that it was possible SB 159 could reduce racial and ethnic disparities for high risk populations who do not have a usual source of care or are uncomfortable asking their usual source of care for a PrEP prescription. However, because enrollees would need to seek continuing care from a primary care provider due to the April 11th and April 30th amendments, enrollees choosing to go to a pharmacist for PrEP instead of to a primary care provider due to lack of access or a desire for anonymity may not continue with PrEP use after receiving the initial 30-day supply.

Access to primary care providers may pose a challenge for some enrollees, particularly those receiving health insurance benefits through Medi-Cal. Overall, the number of primary care providers accepting Medi-Cal (39 full time equivalent physicians per 100,000 full-scope beneficiaries in 2015) is lower than the DHCS minimum standard (50 full time equivalent physicians per 100,000 full-scope

beneficiaries in 2015).[4] Of these primary care physicians, approximately 55% were accepting new patients in 2015, compared to 79% of primary care physicians who accepted private insurance.[5] Should a Medi-Cal enrollee not have a usual source of care, finding a primary care provider accepting new patients may be a challenge. Additionally, because of the overall physician shortage within Medi-Cal, seeing a primary care provider within 30 days of receiving an initial supply of PrEP may also be a challenge.

Additionally, should enrollees not seek care from or be able to access a primary care provider within the first 30 days after receiving the initial supply, enrollees may experience a gap in PrEP use or may stretch their 30-day supply by taking the medications sporadically.

Thank you for allowing CHBRP the opportunity to further assist. We are happy to answer any questions.

Sincerely,

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Assembly Member Chad Mayes, Vice Chair, Assembly Committee on Health
Assembly Member Lorena Gonzalez, Chair, Assembly Committee on Appropriations
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[4] Perrone, C. Medi-Cal Enrollees' Access to Care. California Health Care Foundation presentation to the Assembly Select Committee on Health Care Delivery Systems and Universal Coverage. January 17, 2018. Accessed on May 8, 2019. Available at: https://www.assembly.ca.gov/sites/assembly.ca.gov/files/Archives/perrone_slides_medi-cal_access.pdf
[5] Ibid.

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Table 2. SB 159 Impacts on Benefit Coverage, Utilization, and Cost, 2020 – revised for 4/30/19 amended language

	Baseline	Postmandate	Increase/ Decrease	Percentage Change
Benefit coverage				
Total enrollees with health insurance subject to state-level benefit mandates (a)	24,490,000	24,490,000	0	0%
Total enrollees with state-regulated OPD coverage (b)	23,427,000	23,427,000	0	0%
Total percentage of enrollees with health insurance subject to SB 159 (b)	100%	100%	0%	0%
Total percentage of enrollees with coverage for PrEP and PEP without prior authorization and step therapy	100%	100%	0%	0%
Total percentage of enrollees able to obtain PrEP and PEP directly from pharmacist	0%	100%	100%	100%
Utilization and unit cost				
Number of enrollees seeking initial course of PrEP from a pharmacist	0	588	588	100%
Number of enrollees using PrEP	29,395	29,942	547	1.8%
Number of enrollees using PEP	6,055	6,176	121	2%
Scripts per user of PrEP	6.002	5.995	-0.007	0%
Scripts per user of PEP (c)	10.410	10.410	0.000	0%
Average prescription drug regime cost per user (PrEP and PEP)	$13,822.24	$13,810.45	-$11.79	0%
Average number of lab tests per user of PrEP	3.597	3.592	-0.005	0%
Average number of lab tests per user of PEP	2.534	2.534	0.000	0%
Average annual cost of lab tests per user of PrEP	$139.30	$139.30	$0.00	0%
Average annual cost of lab tests per user of PEP	$156.78	$156.78	$0.00	0%
Expenditures				
Premiums by payer				
Private employers for group insurance	$86,438,375,000	$86,445,978,000	$7,603,000	0.0088%
CalPERS HMO employer expenditures (d) (e)	$3,098,551,000	$3,098,790,000	$239,000	0.0077%
Medi-Cal Managed Care Plan expenditures	$28,492,273,000	$28,492,273,000	$0	0.0000%

Enrollees with individually purchased insurance	$12,045,324,000	$12,046,941,000	$1,617,000	0.0134%
Enrollees with group insurance, CalPERS HMOs, Covered California, and Medi-Cal Managed Care (d)	$14,476,394,000	$14,477,771,000	$1,377,000	0.0095%
Enrollee expenses				
For covered benefits (deductibles, copayments, etc.)	$14,750,880,000	$14,751,333,000	$453,000	0.0031%
For noncovered benefits (f)	$0	$0	$0	0.00%
Total expenditures	$159,301,797,000	$159,313,086,000	$11,289,000	0.0071%

Source: California Health Benefits Review Program, 2019.

Notes: Provision of PrEP and PEP are "carved out" of Medi-Cal Managed Care plans and COHS, and are instead provided through the fee-for-service program. There are approximately 10,545,000 enrollees in full-scope Medi-Cal in 2020. Although not shown in Table 1, CHBRP estimates that utilization of the initial supply of PrEP will increase from 9,000 baseline to 9,180 postmandate (2% utilization increase). Of the 180 new users of PrEP, 168 will continue seeking PrEP through a primary care provider. The increase in utilization is estimated to increase state Medi-Cal expenditures $1,257,000. CHBRP is unable to estimate utilization changes of PEP due to lack of data.

(a) Enrollees in plans and policies regulated by DMHC or CDI aged 0 to 64 years as well as enrollees 65 years or older in employer-sponsored health insurance. This group includes commercial enrollees (including those associated with Covered California or CalPERS) and Medi-Cal beneficiaries enrolled in DMHC-regulated plans.[6]

(b) Health insurance that has no OPD benefit or has an OPD benefit not regulated by DMHC or CDI is considered compliant.[7]

(c) Occupational PEP may be covered through worker's comp and therefore would not appear in this claims data. As a result, utilization of PEP may be higher on a per-person basis due to the nature of non-occupational exposure and the likelihood of repeat exposure.

(d) Enrollee premium expenditures include contributions by employees to employer-sponsored health insurance, health insurance purchased through Covered California, and contributions to Medi-Cal Managed Care.

(e) Approximately 56.17% of CalPERS enrollees in DMHC-regulated plans are state retirees, state employees, or their dependents. About one in five (20.5%) of these enrollees has a pharmacy benefit not subject to DMHC.[8] CHBRP has projected no impact for those enrollees. However, CalPERS could, postmandate, require equivalent coverage for all its members (which could increase the total impact on CalPERS).

(f) Includes only those expenses that are paid directly by enrollees to providers for services related to the mandated benefit that are not currently covered by insurance. In addition, this only includes those expenses that will be newly covered, postmandate. Other components of expenditures in this table include all health care services covered by insurance.

Key: CalPERS = California Public Employees' Retirement System; CDI = California Department of Insurance; DMHC = Department of Managed Health Care; HMO = Health Maintenance Organizations; OPD=Outpatient Prescription Drug; PEP = post-exposure prophylaxis; PrEP = pre-exposure prophylaxis.

[6] For more detail, see *Estimates of Sources of Health Insurance in California*, available at http://chbrp.com/analysis_methodology/cost_impact_analysis.php.
[7] For more detail, see *Estimates of Pharmacy Benefit Coverage*, available at http://chbrp.com/analysis_methodology/cost_impact_analysis.php).
[8] For more detail, see *Estimates of Pharmacy Benefit Coverage*, available at http://chbrp.com/analysis_methodology/cost_impact_analysis.php).

Table 3. Baseline Per Member Per Month Premiums and Total Expenditures by Market Segment, California, 2020 – revised for 4/30/19 amended language

	DMHC-Regulated						CDI-Regulated			
	Privately Funded Plans (by Market) (a)			Publicly Funded Plans			Privately Funded Plans (by Market) (a)			
	Large Group	*Small Group*	*Individual*	*CalPERS HMOs (b)*	*MCMC (Under 65) (c)*	*MCMC (65+) (c)*	*Large Group*	*Small Group*	*Individual*	**Total**
Enrollee counts										
Total enrollees in plans/policies subject to state mandates (d)	10,565,000	3,099,000	2,184,000	523,000	6,796,000	795,000	318,000	108,000	102,000	24,490,000
Total enrollees in plans/policies subject to AB 767	10,565,000	3,099,000	2,184,000	523,000	6,796,000	795,000	318,000	108,000	102,000	24,490,000
Premiums										
Average portion of premium paid by employer	$555.35	$341.99	$0.00	$493.71	$268.13	$694.55	$710.92	$462.84	$0.00	$118,029,198,000
Average portion of premium paid by employee	$39.66	$205.44	$437.39	$94.04	$0.00	$0.00	$250.37	$202.64	$475.67	$26,521,718,000
Total premium	**$595.01**	**$547.43**	**$437.39**	**$587.76**	**$268.13**	**$694.55**	**$961.29**	**$665.48**	**$475.67**	**$144,550,916,000**
Enrollee expenses										
For covered benefits (deductibles, copays, etc.)	$46.18	$121.03	$115.38	$48.33	$0.00	$0.00	$162.44	$186.84	$168.51	$14,750,880,000
For noncovered benefits (e)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0
Total expenditures	**$641.19**	**$668.46**	**$552.77**	**$636.08**	**$268.13**	**$694.55**	**$1,123.73**	**$852.31**	**$644.18**	**$159,301,796,000**

Source: California Health Benefits Review Program, 2019.

Notes: (a) Includes enrollees with grandfathered and nongrandfathered health insurance acquired outside or through Covered California (the state's health insurance marketplace).

(b) Approximately 56.17% of CalPERS enrollees in DMHC-regulated plans are state retirees, state employees, or their dependents.

(c) Medi-Cal Managed Care Plan expenditures for members over 65 include those who are also Medicare beneficiaries. This population does not include enrollees in COHS.

(d) Enrollees in plans and policies regulated by DMHC or CDI aged 0 to 64 years as well as enrollees 65 years or older in employer-sponsored health insurance. This group includes commercial enrollees (including those associated with Covered California or CalPERS) and Medi-Cal beneficiaries enrolled in DMHC-regulated plans.[9]

(e) Includes only those expenses that are paid directly by enrollees or other sources to providers for services related to the mandated benefit that are not currently covered by insurance. This only includes those expenses that would be newly covered, postmandate. Other components of expenditures in this table include all health care services covered by insurance.

Key: CalPERS HMOs = California Public Employees' Retirement System Health Maintenance Organizations; CDI = California Department of Insurance; COHS = County Organized Health Systems; DMHC = Department of Managed Health Care; MCMC = Medi-Cal Managed Care.

[9] For more detail, see *Estimates of Sources of Health Insurance in California*, available at http://chbrp.com/analysis_methodology/cost_impact_analysis.php.

Table 4. Postmandate Per Member Per Month Premiums and Total Expenditures by Market Segment, California, 2020 – revised for 4/30/19 amended language

	DMHC-Regulated						CDI-Regulated			
	Privately Funded Plans (by Market) (a)			Publicly Funded Plans			Privately Funded Plans (by Market) (a)			
	Large Group	*Small Group*	*Individual*	*CalPERS HMOs (b)*	*MCMC (Under 65) (c)*	*MCMC (65+) (c)*	*Large Group*	*Small Group*	*Individual*	**Total**
Enrollee counts										
Total enrollees in plans/policies subject to state mandates (d)	10,565,000	3,099,000	2,184,000	523,000	6,796,000	795,000	318,000	108,000	102,000	24,490,000
Total enrollees in plans/policies subject to AB 767	10,565,000	3,099,000	2,184,000	523,000	6,796,000	795,000	318,000	108,000	102,000	24,490,000
Premiums										
Average portion of premium paid by employer	$0.0476	$0.0370	$0.0000	$0.0380	$0.0000	$0.0000	$0.0367	$0.0412	$0.0000	$7,842,000
Average portion of premium paid by employee	$0.0034	$0.0223	$0.0592	$0.0072	$0.0000	$0.0000	$0.0129	$0.0181	$0.0539	$2,995,000
Total premium	$0.0510	$0.0593	$0.0592	$0.0452	$0.0000	$0.0000	$0.0496	$0.0593	$0.0539	**$10,837,000**
Enrollee expenses										
For covered benefits (deductibles, copays, etc.)	$0.0022	$0.0024	$0.0024	$0.0019	$0.0000	$0.0000	$0.0021	$0.0024	$0.0022	$453,000
For noncovered benefits (e)	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0
Total expenditures	$0.0532	$0.0617	$0.0616	$0.0472	$0.0000	$0.0000	$0.0517	$0.0617	$0.0560	**$11,289,000**
Percent change										
Premiums	0.0086%	0.0108%	0.0135%	0.0077%	0.0000%	0.0000%	0.0052%	0.0089%	0.0113%	0.0075%
Total expenditures	0.0083%	0.0092%	0.0111%	0.0074%	0.0000%	0.0000%	0.0046%	0.0072%	0.0087%	0.0071%

Source: California Health Benefits Review Program, 2019.

Notes: (a) Includes enrollees with grandfathered and nongrandfathered health insurance acquired outside or through Covered California (the state's health insurance marketplace).

(b) Approximately 56.17% of CalPERS enrollees in DMHC-regulated plans are state retirees, state employees, or their dependents.

(c) Medi-Cal Managed Care Plan expenditures for members over 65 include those who are also Medicare beneficiaries. This population does not include enrollees in COHS.

(d) Enrollees in plans and policies regulated by DMHC or CDI aged 0 to 64 years as well as enrollees 65 years or older in employer-sponsored health insurance. This group includes commercial enrollees (including those associated with Covered California or CalPERS) and Medi-Cal beneficiaries enrolled in DMHC-regulated plans.[10]

(e) Includes only those expenses that are paid directly by enrollees or other sources to providers for services related to the mandated benefit that are not currently covered by insurance. This only includes those expenses that would be newly covered, postmandate. Other components of expenditures in this table include all health care services covered by insurance.

Key: CalPERS HMOs = California Public Employees' Retirement System Health Maintenance Organizations; CDI = California Department of Insurance; COHS = County Organized Health Systems; DMHC = Department of Managed Health Care; MCMC = Medi-Cal Managed Care.

[10] For more detail, see *Estimates of Sources of Health Insurance in California*, available at http://chbrp.com/analysis_methodology/cost_impact_analysis.php.

Table 5. SB 159 Impacts on Benefit Coverage, Utilization, and Cost, 2021 – revised for 4/30/19 amended language

	Baseline	Postmandate	Increase/ Decrease	Percentage Change
Benefit coverage				
Total enrollees with health insurance subject to state-level benefit mandates (a)	24,395,000	24,394,000	0	0%
Total percentage of enrollees with coverage for PrEP and PEP without prior authorization and step therapy	100%	100%	0%	0%
Total percentage of enrollees able to obtain PrEP and PEP directly from pharmacist	0%	100%	100%	100%
Utilization and unit cost				
Number of enrollees seeking initial course of PrEP from a pharmacist	0	646	646	100%
Number of enrollees using PrEP	32,322	32,925	603	1.8%
Number of enrollees using PEP	6,658	6,791	133	2%
Scripts per user of PrEP	6.002	5.995	-0.007	0%
Scripts per user of PEP (c)	10.410	10.410	0.000	0%
Average prescription drug regime cost per user (PrEP and PEP)	$14,679.22	$14,666.70	$14,679.22	0%
Average number of lab tests per user of PrEP	3.597	3.592	-0.005	0%
Average number of lab tests per user of PEP	2.534	2.534	0.000	0%
Average annual cost of lab tests per user of PrEP	$142.08	$142.08	$0.00	0%
Average annual cost of lab tests per user of PEP	$156.78	$156.78	$0.00	0%
Expenditures				
Premiums by payer				
Private employers for group insurance	$90,700,422,000	$90,709,311,000	$8,889,000	0.0098%
CalPERS HMO employer expenditures (d) (e)	$3,234,903,000	$3,235,183,000	$280,000	0.0087%
Medi-Cal Managed Care Plan expenditures	$29,186,401,000	$29,186,401,000	$0	0.0000%
Enrollees with individually purchased insurance	$13,111,153,000	$13,113,024,000	$1,871,000	0.0143%
Enrollees with group insurance, CalPERS HMOs, Covered California, and Medi-Cal Managed Care (d)	$15,255,718,000	$15,257,328,000	$1,610,000	0.0106%
Enrollee expenses				

For covered benefits (deductibles, copayments, etc.)	$15,636,259,000	$15,636,787,000	$528,000	0.0034%
For noncovered benefits (f)	$0	$0	$0	0.00%
Total expenditures	$159,301,797,000	$167,124,856,000	$167,138,034,000	0.0079%

Source: California Health Benefits Review Program, 2019.

Notes: Provision of PrEP and PEP are "carved out" of Medi-Cal Managed Care plans and COHS, and are instead provided through the fee-for-service program. There are approximately 10,545,000 enrollees in full-scope Medi-Cal in 2020. Although not shown in Table 1, CHBRP estimates that utilization of PrEP will increase from 9,000 baseline to 9,180 postmandate (2% utilization increase).). Of the 180 new users of PrEP, 168 will continue seeking PrEP through a primary care provider. The increase in utilization is estimated to increase state Medi-Cal expenditures $1,256,539. CHBRP is unable to estimate utilization changes of PEP due to lack of data.

(a) Enrollees in plans and policies regulated by DMHC or CDI aged 0 to 64 years as well as enrollees 65 years or older in employer-sponsored health insurance. This group includes commercial enrollees (including those associated with Covered California or CalPERS) and Medi-Cal beneficiaries enrolled in DMHC-regulated plans.[11]

(b) Health insurance that has no OPD benefit or has an OPD benefit not regulated by DMHC or CDI is considered compliant.[12]

(c) Occupational PEP may be covered through worker's comp and therefore would not appear in this claims data. As a result, utilization of PEP may be higher on a per-person basis due to the nature of non-occupational exposure and the likelihood of repeat exposure.

(d) Enrollee premium expenditures include contributions by employees to employer-sponsored health insurance, health insurance purchased through Covered California, and contributions to Medi-Cal Managed Care.

(e) Approximately 56.17% of CalPERS enrollees in DMHC-regulated plans are state retirees, state employees, or their dependents. About one in five (20.5%) of these enrollees has a pharmacy benefit not subject to DMHC.[13] CHBRP has projected no impact for those enrollees. However, CalPERS could, postmandate, require equivalent coverage for all its members (which could increase the total impact on CalPERS).

(f) Includes only those expenses that are paid directly by enrollees to providers for services related to the mandated benefit that are not currently covered by insurance. In addition, this only includes those expenses that will be newly covered, postmandate. Other components of expenditures in this table include all health care services covered by insurance.

Key: CalPERS = California Public Employees' Retirement System; CDI = California Department of Insurance; DMHC = Department of Managed Health Care; HMO = Health Maintenance Organizations; OPD=Outpatient Prescription Drug; PEP = post-exposure prophylaxis; PrEP = pre-exposure prophylaxis.

[11] For more detail, see *Estimates of Sources of Health Insurance in California*, available at http://chbrp.com/analysis_methodology/cost_impact_analysis.php.
[12] For more detail, see *Estimates of Pharmacy Benefit Coverage*, available at http://chbrp.com/analysis_methodology/cost_impact_analysis.php).
[13] For more detail, see *Estimates of Pharmacy Benefit Coverage*, available at http://chbrp.com/analysis_methodology/cost_impact_analysis.php).