

Medicaid Pharmacology: Step Therapy

1

Joint Labor, Health and Social Services
Committee



Wyoming
Department
of Health

April 29th, 2024

What is “step therapy”?

2

- Requiring a trial and failure of one treatment before advancing to a different treatment for the same disease state.
- Example: Knee pain
 - ◆ Step 1—Physical therapy and simple analgesics
 - ◆ Step 2—Injections into the joint
 - ◆ Step 3—Knee surgery
- Example: Atopic dermatitis (a form of eczema)
 - ◆ Step 1—Topical corticosteroid
 - ◆ Step 2—Topical immunomodulator
 - ◆ Step 3—Injectable immunomodulator

Why do payers require “step therapy”?

3

- Early steps tend to:
 - ◆ Be more conservative, less invasive, or have fewer side effects and lower risks
 - ◆ Have more robust clinical evidence of effectiveness or clear evidence of clinical superiority.
 - ◆ Be less costly choice in a category where safety and efficacy are essentially equal among all treatment choices.
- Late step drugs sometimes come to market with an FDA labeled indication that limits them to a later place in therapy (e.g. “treatment resistant depression” or chemotherapy agents that specifically state “for patients previously treated with...”)

Step therapy - Medicaid policy

4

- In Medicaid, the cost of a drug is only considered a factor in determining place in step therapy if there is no evidence of a safety or efficacy difference between it and competitors in the same drug class.
 - ◆ Uncommon for drug manufacturers to conduct head to head trials between their drug and competing drugs.
 - ◆ Relative safety and efficacy often inferred based on the quantity and quality of clinical evidence
 - ◆ A single drug may be labeled for multiple indications, but may only have superiority data for one of those indications. Therefore, a drug may be Step 1 for one indication but Step 3 for another.

Medicaid Pharmacology: Opioids

5

Joint Labor, Health and Social Services
Committee



Wyoming
Department
of Health

April 29th, 2024

Opioid-naïve patients and acute pain

6

→ For opioid naïve patients:

- ◆ No more than seven (7) day initial supply

→ For acute pain:

- ◆ Defined as less than six weeks of continuous opioid therapy
- ◆ No dosage limits

Patients with chronic pain

7

- Defined as more than six weeks of continuous opioid therapy
- 120 morphine milligram equivalents (MME) per day of long acting opioid; moving toward 90 MME per day limit
- 4 units per day of short acting opioid (for breakthrough pain)
- Prohibit use of more than one long acting or more than one short acting opioid concurrently
- Do not cover and opioid and benzodiazepine concurrently

Medicaid opioid coverage policy

8

- If a Medicaid client pays cash for any prescription, Medicaid is not aware of it and cannot use it in calculating coverage metrics.
- Medicaid covers drugs used in the treatment of opioid use disorder (e.g., Medication Assisted Therapy).

Medicaid Pharmacology: Weight Loss Drugs

9

Joint Labor, Health and Social Services
Committee



Wyoming
Department
of Health

April 29th, 2024

What are they?

10

- Glucagon-like Peptide-1 (GLP-1) Drugs
 - ◆ Semaglutide (Ozempic—for diabetes; Wegovy—for weight management)
 - ◆ Tirzepatide (Mounjaro—for diabetes; Zepbound—for weight management)
- Mechanism of action
 - ◆ Work for diabetes by stimulating the secretion of insulin and helping keep blood sugars stable
 - ◆ Work for weight loss by suppressing appetite and by slowing movement of food from the stomach to the small intestine, so patients feel full longer

Medicaid coverage policy

11

- Medicaid covers Ozempic and Mounjaro for patients with diabetes (after applicable step therapy has been tried)
- Medicaid does not currently cover any drugs solely for a diagnosis of obesity or overweight.
 - ◆ Therefore, Medicaid doesn't cover Wegovy or Zepbound **at all**, and does not cover Ozempic or Mounjaro for patients who do not have a diagnosis of diabetes.