

Fiscal Note

2017-2018 Legislative Session

HF808 - 1A - "EPSDT Program Coverage of Stiripentol"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/13/2017**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
Dollars in Thousands					
General Fund	-	61	122	122	122
Total	-	61	122	122	122
Biennial Total			183		244

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	61	122	122	122	122
Total		-	61	122	122	122
Biennial Total				183		244
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	61	122	122	122	122
Total		-	61	122	122	122
Biennial Total				183		244
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill would provide Medical Assistance coverage for the anticonvulsant drug stiripentol under limited circumstances.

Under this legislation, coverage of stiripentol may be provided when medically necessary for children with a diagnosis of Dravet syndrome or with Malignant Migrating Partial Epilepsy in infancy due to a listed genetic mutation. Coverage for this medication is only available when other medications have been tried for the patient without successful outcomes and where the United States Food and Drug administration has approved the treating physician for the use of stiripentol.

Assumptions

Based on DHS claims data, there are about 140 children on Medical Assistance with a diagnosis of Dravet syndrome. Given the results of peer reviewed studies, it is assumed that half of these children have seizures that are not adequately controlled by existing medications. It is further assumed that about 1/3 of these children, or around 24, could access treatment with a physician approved to use stiripentol. Of this number, this estimate assumes that treatment is successful with 2/3 of the children who take the drug.

To determine the average cost of the drug, this estimate uses the average weight of a 9 year old child and calculates the dosage recommended according to the European Epilepsy society. This results in a dosage of 1,250 mg. per day. Based on the expected cost charged to DHS for the import/export pharmacy that works with other state Medicaid programs, this estimate assumes an average cost of \$16,132 per patient per year.

A recent peer reviewed study in the journal Epilepsia showed that stiripentol use reduced the frequency of ER visits frequency of ER/hospital visits for those children with Dravet syndrome who had 4 or more visits the previous year. Approximately one third of children in the study had four or more ER/hostpial visits the previous year. Using this data, this fiscal note assumes that four of the 16 children expected to use stiripentol will experience reduced ER visits. Most of the children in the study went from one ER visit per month to quarterly or fewer ER visits, so we assume an annual reduction of 8 ER visits for the affected children. DHS claims data show that the average cost of a child’s ER visit related to epilepsy was about \$434.

The effective date is assumed to be July 1, 2017. A one year phase in is assumed for children to find a prescriber for the drug and for the prescribers to get the required authorization to access the drug outside of a clinical trial.

Expenditure and/or Revenue Formula

Minnesota				
MEDICAL ASSISTANCE				
Fiscal Analysis of a Proposal to				
Make Stiripentol a Covered Drug in Medical Assistance				
	FY 2018	FY 2019	FY 2020	FY 2021
<i>Cost of Stiripentol</i>				
Annual children using stiripentol	16	16	16	16
Average annual cost of stiripentol	\$16,132	\$16,132	\$16,132	\$16,132
Phase-in	50%	100%	100%	100%
Total MA Cost (families with children)	\$129,056	\$258,112	\$258,112	\$258,112
Federal share %	50.00%	50.00%	50.00%	50.00%
Federal share	\$64,528	\$129,056	\$129,056	\$129,056
State share	\$64,528	\$129,056	\$129,056	\$129,056
<i>Reduced ER Visits</i>				
Annual children using stiripentol	16	16	16	16
Percent with reduced ER visits	22%	22%	22%	22%
Annual children with reduced ER visits	4	4	4	4
Annual reduction in ER visits per child	-8	-8	-8	-8
Total reduction in ER visits	-32	-32	-32	-32
Average cost per ER visit	\$434	\$434	\$434	\$434
Phase-in	50%	100%	100%	100%
Total MA Cost (families with children)	(\$6,943)	(\$13,886)	(\$13,886)	(\$13,886)
Federal share %	50.00%	50.00%	50.00%	50.00%
Federal share	(\$3,471)	(\$6,943)	(\$6,943)	(\$6,943)
State share	(\$3,471)	(\$6,943)	(\$6,943)	(\$6,943)
Fiscal Summary (General Fund)				
	FY 2018	FY 2019	FY 2020	FY 2021
Cost of Stiripentol	\$64,528	\$129,056	\$129,056	\$129,056
Reduced ER Visits	(\$3,471)	(\$6,943)	(\$6,943)	(\$6,943)
Net General Fund	\$61,057	\$122,113	\$122,113	\$122,113

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	33-FC	MA Grants	61	122	122	122

		Total Net Fiscal Impact	61	122	122	122
		Full Time Equivalents				

Long-Term Fiscal Considerations

The cost of covering stiripentol as provided under this legislation would continue beyond the FY2020-21 biennium.

Local Fiscal Impact

None

References/Sources

Medical Assistance claims data
 Wirrell, et. al, "Stiripentol in Dravet syndrome: Results of a retrospective U.S. study," Epilepsia, 54(9): p.1595-1604 (2013)

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