

January 13, 2025

The Honorable Katie Hobbs
Governor of Arizona
1700 W Washington
Phoenix, Arizona 85007

Dear Governor Hobbs:

AHCCCS is submitting the following report as required in Laws 2024, Chapter 215, Sec. 12 (HB 2903):

A. Not later than January 31, 2025, the Arizona health care cost containment system administration shall prepare and issue a report to the governor, the chairpersons of the house of representatives and senate health and human services committees, or their successor committees, the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting that includes information about the costs and utilization of mental health medications during contract years 2020-2023. The administration shall provide a copy of the report to the secretary of state.

B. The report required by subsection A of this section shall include the annual gross amount spent for each mental health medication class, the annual net amount spent after rebates and the state and federal share of the costs. The report shall also include the average annual cost by class for generic and nongeneric mental health medications. For antipsychotic and antidepressant medications, the report shall include the total number of prior authorizations submitted for nonpreferred antipsychotic and nonpreferred antidepressant medications, the percentage of prior authorization approvals and denials, the generic antipsychotic and generic antidepressant medication utilization percentages and the total amount of antipsychotic and antidepressant medication claims.

If you have any questions regarding the attached report, please feel free to contact me at (602) 417-4711.

Sincerely,



Carmen Heredia
Director

Cc: The Honorable Selina Bliss, Chairperson, House Health & Human Committee
The Honorable Carine Werner, Chairperson, Senate Health & Human Services Committee
The Honorable Adrian Fontes, Secretary of State
Sarah Brown, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Zaida Dedolph Piccoro, Health Policy Advisor, Office of the Governor

AHCCCS Mental Health Medication Utilization Report

January 2025



AHCCCS Mental Health Medication Utilization Report

Background

In accordance with HB2903 and by January 31, 2025, AHCCCS shall report to the Governor, the President of the Senate, the Speaker of the House of Representatives, the chairperson of the Health and Human Services Committee, or its successor, in the senate and the chairperson of the Health Committee, or its successor, in the House of Representatives, director of the Joint Legislative Budget Committee and the director of the Governor's Office of Strategic Planning and Budgeting and shall provide a copy of this report to the Secretary of State. The AHCCCS Mental Health (MH) Medication Utilization Report shall include costs, aggregate spending, and aggregate utilization of MH medications during contract years 2020 to 2023, October 1st to September 30th of each year. The report shall include:

- Annual aggregate gross amount spent for each MH medication class,
- Annual aggregate net amount spent by the state for each MH medication class after rebates without disclosing any information about the federal rebate and manufacturer-negotiated supplemental rebate agreements for any specific drug,
- Average annual cost by class for generic and non-generic MH medications,
- For antipsychotic and antidepressant medications:
 - Total number of prior authorizations (PAs) submitted for nonpreferred antipsychotic and nonpreferred antidepressant medications,
 - Percentage of PA approvals and denials,
 - Generic antipsychotic and generic antidepressant medication utilization percentages, and
 - Total amount of antipsychotic and antidepressant medication claims.

For the first three tables in this report, the MH medication classes include antipsychotics, antidepressants, anxiolytics, stimulants, and sedative hypnotics therapeutic classes. The final four tables in this report only include antidepressants and antipsychotics in accordance with the request in HB2903.

AHCCCS Mental Health Medication Utilization Report

Spending and Utilization Summaries

Annual Aggregate Gross Amount Spent for Each MH Medication Class

The table below represents the annual aggregate gross expenditures for each MH medication class.

Year	Antianxiety Agents	Antidepressants	Antipsychotics	Sedative Hypnotics	Stimulants
2020	\$ 3,716,133	\$ 17,285,019	\$ 174,867,774	\$ 1,785,264	\$ 58,454,590
2021	\$ 4,029,331	\$ 19,564,026	\$ 194,931,464	\$ 1,964,525	\$ 64,483,986
2022	\$ 4,706,100	\$ 23,399,257	\$ 210,687,453	\$ 2,279,172	\$ 73,700,723
2023	\$ 4,079,124	\$ 23,686,655	\$ 213,001,401	\$ 2,001,629	\$ 81,221,516

Annual Aggregate Net Amount Spent for Each MH Medication Class

The table below represents the annual aggregate expenditures by the state for each MH medication class net of the federal and supplemental rebates. The net expenditures are determined by subtracting the total computable federal and supplemental rebate amounts from the annual aggregate gross amount of expenditures for MH medication classes and by contract year.

Year	Antianxiety Agents	Antidepressants	Antipsychotics	Sedative Hypnotics	Stimulants
2020	\$3,511,498	\$14,424,165	\$69,215,669	\$843,714	\$13,956,761
2021	\$3,843,923	\$16,586,604	\$67,452,918	\$754,489	\$12,114,974
2022	\$4,539,346	\$20,140,357	\$63,909,554	\$803,588	\$11,827,629
2023	\$3,917,268	\$20,659,011	\$52,880,557	\$835,966	\$10,849,768

Average Annual Cost by Class for Generic and Non-Generic

The table below represents the average gross annual expenditures by MH medication classes for generic and non-generic medications.

		2020	2021	2022	2023
Antianxiety Agents	Brand	\$ 31,949	\$ 60,755	\$ 76,613	\$ 80,273
	Generic	\$ 3,684,184	\$ 3,968,576	\$ 4,629,487	\$ 3,998,852
Antidepressants	Brand	\$ 2,765,879	\$ 3,548,378	\$ 6,167,914	\$ 9,304,204
	Generic	\$ 14,519,140	\$ 16,015,648	\$ 17,231,343	\$ 14,382,451
Antipsychotics	Brand	\$ 159,911,618	\$ 179,817,972	\$ 194,564,979	\$ 197,576,080
	Generic	\$ 14,956,156	\$ 15,113,491	\$ 16,122,473	\$ 15,425,320
Sedative Hypnotics	Brand	\$ 1,084,765	\$ 1,247,324	\$ 1,544,800	\$ 1,060,054
	Generic	\$ 700,499	\$ 717,200	\$ 734,372	\$ 941,575
Stimulants	Brand	\$ 48,321,097	\$ 53,069,168	\$ 61,084,783	\$ 70,537,852
	Generic	\$ 10,133,493	\$ 11,414,818	\$ 12,615,940	\$ 10,683,664

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Antidepressant and Antipsychotic Medication Summaries

Total Number of PAs Submitted for Nonpreferred Antidepressant and Nonpreferred Antipsychotic Medications

The table below represents the total number of PAs submitted for nonpreferred antipsychotic and nonpreferred antidepressant medications.

	2020	2021	2022	2023
Antidepressants - Non-Preferred	5,726	4,864	6,372	8,652
Antipsychotics - Non-Preferred	7,037	5,933	6,987	9,644

Percentage of PA Approvals and Denials for Nonpreferred Antidepressant and Nonpreferred Antipsychotic Medications

The table below represents the percentage of PAs approved and denied for nonpreferred antipsychotic and nonpreferred antidepressant medications. The percentage of approved and denied PAs does not equal 100% because the remaining PAs were either withdrawn or voided.

	2020		2021		2022		2023	
	Percentage Approved	Percentage Denied	Percentage Approved	Percentage Denied	Percentage Approved	Percentage Denied	Percentage Approved	Percentage Denied
Antidepressants - Non-Preferred	34.4%	31.6%	37.8%	38.9%	37.7%	34.9%	36.9%	29.3%
Antipsychotics - Non-Preferred	40.1%	29.1%	42.0%	35.7%	37.5%	36.7%	41.9%	32.1%

Generic Antidepressant and Generic Antipsychotic Medication Utilization – Percentages

The table below represents generic antipsychotic and generic antidepressant medication utilization percentages. Due to the number of generic medications available in both antipsychotic and antidepressant medications classes the utilization percentages are expected to be very high, with antidepressant medications being higher than antipsychotic medications. The percentage of antidepressants utilized is ninety-nine percent or greater and is consistent with other Medicaid programs.

	2020	2021	2022	2023
Antidepressants	99.5%	99.5%	99.4%	99.3%
Antipsychotics	85.2%	85.3%	85.7%	87.4%

Total Amount of Antidepressant and Antipsychotic Medication Claims

The table below represents total claims for antipsychotic and antidepressant medications. The branded antidepressant medications represent less than 1% of the generic utilization and depending on the contract year. The less than 1% utilization of brand name antidepressants equates to 16% to 39% of the annual antidepressant medication class expenditures for contract years 2020 through 2023, respectively.

The brand name antipsychotic medications represent the average of 14.1% of the annual total antipsychotic utilization for contract years 2020 through 2023 and the 14.1% percentage equates to approximately 92.2% of

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the total annual antipsychotic expenditures and these statistics are typically inversely proportional, i.e. in a simplified formula 10% of the utilization generally equates to 90% of the cost.

	2020	2021	2022	2023
Antidepressants	1,234,326	1,420,000	1,546,787	1,558,247
Antipsychotics	645,602	689,305	731,537	758,936