CHBRP

Senate Bill 427 (2023)

Analysis at a Glance

Antiretroviral Drugs, Devices, and Products
as amended on 3/21/2023

Background Context

There is **no cure** for HIV/AIDS. However, through the use of ARVs — known for inhibiting viral replication and allowing for immune reconstitution — HIV-related morbidity and mortality can be **prevented**.

A primary goal of ARVs is to **reduce the risk** of HIV transmission to sexual partners and to infants born to persons with HIV. ARVs are widely accepted as **effective treatment** for the control of HIV as well as the prevention of transmission of HIV.

Bill Summary

The version of California **Senate Bill (SB) 427** analyzed by CHBRP would require DMHC-regulated health plans and CDI-regulated health to cover all U.S. Food and Drug Administration (FDA)-approved or Centers for Disease Control and Prevention (CDC)-recommended **antiretroviral drugs, products, and devices** (ARVs) for HIV/AIDS with **no cost sharing** or **utilization review requirements** for enrollees in grandfathered and nongrandfathered plans and policies under the outpatient prescription drug benefit.

Insurance Subject to the Mandate

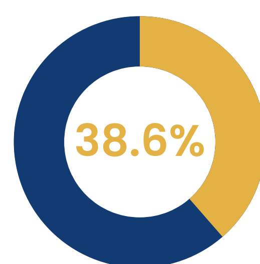
- ☑ CDI and DMHC Regulated (Commercial & CalPERS)
- ☑ Medi-Cal (but no impact due to pharmacy benefit carve out)
- ☒ Federally Regulated (Medicare, self-insured products, etc.)
- ☒ Medi-Cal COHS

Medical Effectiveness

- ***Inconclusive evidence*** on the effect of cost sharing for ARVs on long-term adherence and viral suppression for people living with HIV.
- ***Insufficient evidence*** on the effects of cost sharing and utilization management for ARVs on healthcare utilization and health outcomes.

Benefit Coverage and Cost Impacts

At baseline, **98.9%** of enrollees with DMHC- or CDI-regulated health insurance plans/policies have coverage for ARVs, and **38.6%** of enrollees have coverage for ARV that is fully compliant with SB 427. Postmandate, **100%** of enrollees with coverage subject to SB 427 would have coverage for ARV without cost sharing or utilization review requirements.



SB 427 would increase total net annual expenditures by **$51,601,000** or **0.0352%** for enrollees with state-regulated insurance, excluding DMHC-regulated Medi-Cal

Public Health Impacts

CHBRP estimates an additional **1,402** enrollees would seek ARVs overall for the prevention or treatment for HIV/AIDS. Including an **increase** in the number of individuals who do not seroconvert due to PrEP (**47**) and PEP (**22**) access, an increase in the number of HIV-positive individuals who access ARV and sustain linkages to care (**1,332**), and a subsequent decrease in both short- and long-term adverse health outcomes.

Acquired Immunodeficiency Syndrome (AIDS), Antiretroviral drugs, devices, and products (ARVs), California Health Benefits Review Program (CHBRP), California Department of Managed Health Care (DMHC), CA Department of Insurance (CDI), County Organized Health System (COHS), Human Immunodeficiency Virus (HIV)