Dear Iowa Medicaid P&T Members,

It has come to our attention that VIVITROL® (naltrexone for extended-release injectable suspension) was reviewed during the Iowa Medicaid P&T Committee (the "Committee") meeting on August 17, 2017 and that, as part of such review, inaccurate information was presented and/or discussed. As a result of this meeting, the Committee elected to move VIVITROL® to a medical benefit under a "buy and bill" status. I am writing for two important reasons: first, to correct the record of proceedings to accurately reflect information about VIVITROL and, second, to respectfully request that, in light of this new information, the Committee reconsider VIVITROL and its placement within the formulary.

I list below the inaccurate information that was conveyed and the accurate information that we respectfully request be considered in its place in the Committee's reconsideration of VIVITROL.

1. VIVITROL wholesale acquisition cost ("WAC"):

The wholesale acquisition cost (WAC) of VIVITROL was communicated as $1,500 per carton. This is inaccurate. The WAC of VIVITROL is currently $1,309 per carton.

It is also important to note that the last WAC increase for VIVITROL® occurred nearly two years ago in December 2015. Contrary to comments made during the committee deliberations, Alkermes did not raise the WAC price for VIVITROL® in either 2016 or, to date, in 2017.

In fact, in 2016, after factoring in federal Medicaid rebates, the average net price for VIVITROL reimbursed by Medicaid in the U.S. was approximately $660 per unit, reflecting approximately 50% off the list price. Furthermore, we have offered an additional supplemental rebate to Iowa equal to 5% of WAC, or approximately an additional $65 per unit.

One year ago, the National Governors Association made a compact to fight opioid addiction and developed a Roadmap for the Opioid Crisis (attached) which was endorsed by 46 governors, including Iowa's Governor Branstad. Among the recommendations of the National Governors Association were:

- Develop and adopt a comprehensive opioid management program in Medicaid and other state-run health programs;
- Enhance education and training for all opioid prescribers;
- Change payment policies to expand access to evidence-based MAT and recovery services
    - Ensure that Medicaid and other state health programs adequately cover all FDA-approved MAT (methadone, buprenorphine, naltrexone) and evidence-based behavioral interventions
    - Review and remove payment and administrative barriers to MAT

Moving VIVITROL to a medical benefit and requiring "buy and bill" restricts access to this treatment option for the patients in Iowa who rely on Medicaid for their healthcare. Providers of addiction treatment rarely have the infrastructure to manage the billing and upfront costs

required to acquire and offer their patients a medication that requires “buy and bill” for reimbursement.

In light of the current opioid addiction epidemic and the importance of providing access to the full range of FDA-approved MAT for the treatment of opioid dependence (as is required by the Comprehensive Addiction and Recovery Act of 2016 (“CARA”) for office based opioid treatment programs), states are working to revise their reimbursement policies to reduce barriers for patient access to MAT that is prescribed and administered by practitioners based on their determination as to what is in the best interests of their patients. It is concerning that this change to the reimbursement policy of Iowa Medicaid is a step in the opposite direction.

We remain interested and committed to helping Iowa combat this deadly disease and strongly urge you to reconsider this change. Please let me know if you have any questions or would like to discuss by phone.