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PURPOSE OF BILL: HB 1055

To establish coverage diagnosis and treatment to slow the progression of Alzheimer's disease or other dementia-related disease under the State and Public School Life and Health Insurance Program.

ACTUARIAL STATEMENT

The Fiscal Impact Statement was prepared according to generally accepted actuarial principles and practices, in compliance with ACT 112. The Statement provides an estimate of the financial and actuarial effect of the proposed change(s) on the Plans, if possible. The Statement makes no comment or opinion with regard to the merits of the measure for which the Statement is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness and relied upon the data and information provided by the Plans and their Claims Processing Contractors.

3/17/2025

Patrick Klein, FSA, MAAA
Vice President, Segal

Date

3/17/2025

Matthew Kersting, FSA, MAAA
Vice President, Segal

Date

PROJECTED COSTS

Plan	Plan Design Change	Estimated Cost/(Savings)
EBD	Extending coverage to all treatments or medications prescribed to slow the progression of Alzheimer's disease or other dementia-related disease	$2 million to $4 million

PRICING APPROACH AND COMMENTS

House Bill 1055 requires the State health plan to cover diagnosis and treatment to slow the progression of Alzheimer's disease or other dementia-related disease.

The EBD Plan currently covers services related to diagnostic testing, and care planning for members with Alzheimer's disease and other types of dementia. The plan also covers the 4 oral medications used for Alzheimer's dementia. 120 EBD members are currently taking one or more of the oral medications.

In addition to these treatments, there are newer treatments, Legembi and Kisunla, that this bill would mandate EBD begin to cover. Leqembi was approved by the FDA in 2023 and targets amyloid-beta protein and has shown efficacy in slowing cognitive decline in early Alzheimer's. Kisunla was approved in 2024 and is a monoclonal antibody that also targets amyloid-beta plaques. These treatments have several counterindications that have mitigated utilization. Also, their approval is only for a subset of people with Alzheimer's, specifically early (mild) cognitive impairment or dementia due to Alzheimer's. There are a host of other requirements (PET scans or other tests, results from rating systems, etc.).

Thus, we expect 10% to 20% of those 120 EBD members currently taking oral medication to change treatment to Legembi or Kisunla. Most of these members are expected to be Medicare eligible, as our research shows that only 5% of cases are for those under 65 years of age.

We also assume other members who get tested and have a new early treatment option will begin utilizing Legembi or Kisunla too. We project the number of new utilizers to range between 50 to 100 with 80% being Medicare eligible.

Total annual cost of Legembi and Kisunla treatments are estimated at approximately $90,000. This amount includes cost of the drug as well as necessary MRI / PET scans, testing and infusions. Medicare Part B will cover a large percentage of these expenditures for those on Medicare.

Overall, the cost to EBD is projected to be between $2 million and $4 million or 0.4%-0.7% of medical claims.