



Health innovation that matters

Good morning, Chairman Romanchuk, Vice Chair Huffman, Ranking Member Liston, and Members of the Committee. Thank you for the opportunity to testify today on House Bill 96.

My name is Tim Sweeney; I represent LivaNova, a MedTech company and maker of VNS Therapy, an implantable neuromodulation treatment designed for people suffering from what is known as drug-resistant epilepsy. VNS Therapy is a treatment used when anti-seizure medication does not work or stops working, and impacts a small portion of individuals in Ohio, yet is very important for those affected by their disease.

Patients that are able to access VNS Therapy may use less prescription drugs, consume hospital services far less frequently, and become able to lead more economically productive lives. The cost to use VNS Therapy can be significantly less than using multiple medications on individuals for whom the disease is drug resistant.

VNS Therapy is a small device, consisting of a generator and a lead, which is implanted during a short, outpatient procedure. Treatment with VNS Therapy may help to:

- Reduce seizure burden
- Reduce depressive symptoms
- Improve quality of life
- Reduce dosage of anti-seizure medication

VNS is consistently a fraction of the cost of branded anti-seizure medication regimens, is associated with significant reduction in utilization of healthcare resources and achieves net cost savings after 1.5 years. Thus, the slight increase in payment rate for the device will be offset and actually drive cost savings to the Medicaid budget by the reduction in utilization of anti-seizure medications, emergency room visits, and hospitalizations.

A 5-year VNS Budget Impact Model that accounts for all related healthcare utilization costs, could yield \$5mm in cost savings for Ohio Medicaid based on its annual implant average of only 77 members.

The need for this important potential amendment to the budget stems from payments to hospitals for Ohio Medicaid members. Current payments average 40-50% of the hospital cost for a VNS implant. A modest increase in the payment occurred in 2020, however hospitals and providers stated it did not alleviate the access to care issue. It is worth noting that several other states with similar Medicaid systems have found ways to modify their system to increase payment for this important treatment, albeit it impacts a relatively small amount of people in the state.

It is important to discuss the broadly negative impact of seizures that fail to adequately respond to medication alone. There are currently 3.4mm people in the US with epilepsy,

1mm for whom medication alone is not the answer. Studies have shown that adding more medications is not likely to control this kind of epilepsy. Despite this data, many people continue to be prescribed multiple, often costly, medications instead of being evaluated for non-drug therapy options.

Drug-resistant epilepsy often includes:

- frequent and violent seizures
- seizure related injuries
- depression
- medication related adverse events
- cognitive impairment
- substantial socio-economic impact on underserved and disadvantaged populations

According to multiple peer reviewed publications:

- The time from the initial diagnosis to intervention beyond medication is 15-20 years
- Less than 20% of patients will access specialized care and only 1-2% receive treatment beyond medication
- Without appropriate surgical treatment, patients will use more services and incur higher medical costs than patients with stable forms of epilepsy.
- Expenditure on anti-seizure medications by both Medicare and Medicaid more than doubled between 2012 and 2022, soaring from \$2.8 billion to \$5.7 billion.
  - Examples of current drug costs include Aptiom (\$34k/yr), Fycompa (\$24k/yr) and Epidiolex (\$66k/yr).

As you can see, improved access to VNS Therapy for Ohio Medicaid members with drug-resistant epilepsy will benefit the state, providers, and hospitals, and most importantly, the patients.

Thank you for the opportunity and look forward to answering any questions.