

CHARTER
for
Work Group on Prescription Drug Cost Determination and Cost Containment
(August 8, 2017)

(Final. Items in blue added at the Cabinet meeting on 8-8-17)

Charge

This work group will develop recommendations to the Health Care Cabinet on ways to lower prescription drug costs for consumers and health care purchasers (self-insured employers, insurers, government purchasers). The group will examine policies that fall into these broad categories:

- Price Transparency
- Price regulation
- State agency purchasing policies (other than value-based contracts)
 - Impact on state agency costs
 - State purchasing that can benefit non-state individuals or entities in Connecticut

Key Questions

Transparency

1. What are the transparency policies we're trying to pursue and what public and commercial data are needed to inform them?
2. How can we best obtain current state agency and commercial data on pharmaceutical costs? What are the data barriers and how can they be overcome?
3. **How are specialty drugs defined?**
4. How is transparency of drug pricing data useful to consumers? To regulators? To purchasers?
5. Should there be any categories of data excluded from disclosure requirements?

Regulation

6. What are the different price regulation strategies?
7. How do we define unaffordable? List price above \$x? An increase in price greater than x% in one or over multiple years?
8. **What is the role of coupons and rebates in drug pricing?**
9. Who are the stakeholders and how are they impacted? Possible list includes: pharmaceutical companies, pharmacy benefit managers (PBMs), insurance companies, providers that prescribe and/or administer medications, pharmacists and consumers.
10. What are the potential policy pitfalls and/or legal issues associated with any price transparency and/or regulation strategies?

11. What kind of infrastructure would be needed to monitor and potentially regulate drug prices?
What existing agencies could become involved?

State Purchasing Policies

12. What opportunities exist for leveraging the state's purchasing power to reduce pharmaceutical costs to the state, other than value-based contracting? To non-state entities?