



Nancy Wyman

LIEUTENANT GOVERNOR
STATE OF CONNECTICUT

Healthcare Cabinet Meeting Minutes February 14, 2017

Members in Attendance: Lt. Governor Nancy Wyman, Susan Adams, Ellen Andrews, Pat Baker, Kurt Barwis, Miriam Delphin Rittmon (DMHAS), Theodore Doolittle (OHA), Anne Foley (OPM), Bonita Grubbs, Marguerite Giuliano, Kate McEvoy (DSS), Frances Padilla, Jordan Scheff (DDS), Jim Wadleigh (Access Health CT)

Members via Phone: Hussam Saada

Members Absent: Kathleen Brennan (DSS), William Handelman, Raul Pino (DPH), Shelly Sweatt, Robert Tessier, Gary Letts, John Oraziotti, Lawrence Santilli, Greg Stanton, Kristina Stevens (DCF), Joshua Wojcik (OSC)

Others present: Victoria Veltri (Lt. Governor Office); From the Office of the Attorney General, Attorney General George Jepsen, Special Counsel Robert Clark, Michael Cole, Assistant Attorney General and Head the Antitrust and Government Program Fraud Department; From the Department of Social Services, Herman Kranc, RPH and Robert Zavoiski, MD

Agenda Item	Topic	Discussion	Action
1.	Call to order & Introductions	The Lieutenant Governor welcomed everyone to the meeting and announced that presenters at today's meeting are from the Attorney General's Office and Department of Social Services.	
2.	Public Comment	No public comment	
3.	Review & Approval of minutes	Vote to approve January 10, 2017 minutes	Minutes approved Kate McEvoy motioned and Bonita Grubbs seconded
4.	Presenters:	<p>Lieutenant Governor Wyman introduced Attorney General George Jepsen. Attorney General Jepsen introduced Special Counsel Bob Clark and Assistant Attorney General Michael Cole.</p> <p>Attorney General Jepsen discussed barriers in drug prices, and some of the steps that his office is taking to clarify and address them.</p> <p>He noted that a fundamental underlying factor for the cost of pharmaceuticals in Connecticut and the United States is the lack of price controls. This is a key difference between these costs in the U.S. and other countries, many of which do have price controls, as well as single payer systems, which makes it far easier to regulate and control the pharmaceutical market. The U.S. has many payers, which complicates the development of systemic policy changes.</p> <p>A.G. Jepsen then discussed the role of patents in this market, noting that drug manufacturers now obtain patents over a very broad and highly specific set of components of drugs. This can include the drug itself, specific actions and</p>	

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		<p>delivery systems, which has the effect of limiting competition and further innovation, especially in the generic market. Generic drugs are 85% less expensive than brand name drugs and the majority of consumers are using generic drugs. However, regulations and patents prevent generics from entering the market and driving down costs through increased options and competition. These are artificial barriers.</p> <p>A July 2014 New York Times article about drug costs and subsequent inquiries to his office prompted Mr. Jepsen to investigate the generic drug market. This investigation identified evidence of systemic and pervasive price fixing in the generic market, resulting in collaboration with the U.S. Dept. of Justice and many other states for a multistate investigation. The U.S. DOJ continues to pursue a criminal investigation into this matter.</p> <p>Based on the initial results of these investigations, in September 2016, Mr. Jepsen filed suit with 16 other states against six drug companies for alleged pricing fixing, and he believes that the issue is far more pervasive than many believe. For example, he noted that drug manufacturers may be paying generic drug manufacturers to delay the launch of new generic drugs in order to prolong the market share of the brand name drug and maximize their profit.</p> <p>In summary, Mr. Jepsen noted that this is a huge market that impacts every American, and that his office continues to do everything that it can to protect the public.</p>	

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		<p>Lieutenant Governor introduced Kate McEvoy, Herman Kranc and Robert Zavoski from DSS.</p> <p>Dr. Zavoski discussed DSS strategies to better understand drug pricing. Pharmaceuticals are a big issue when it comes to pricing. Other countries have only one buyer/payer.</p> <p>He stated that effective medication management can improve outcomes and save money – i.e. 46% decrease in heart disease from 1991 – 2011.</p> <p>Example of Hep C drugs – very expensive, but significant downstream cost savings, in addition to better care for consumers</p> <p>Dr. Zavoski reviewed strategies to understand drug costs, including Bailit’s and NASHP’s, including purchasing coalitions, increased pricing transparency, rebates and discounts.</p> <p>He also discussed the growing cost of specialty medications, and the inherent challenges. No uniform definition of what a specialty drug is. Impact of increase in biologics/biosimilars</p> <p>Example given of PCSK9 inhibitors, which have been highly effective at reducing LDL without the high expected costs, but no clinical data on the impact on heart disease or others</p>	

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		<p>Dr. Zavoski discussed the opioid crisis, the history of opioid use, briefly, and the clinical and fiscal impact on the healthcare system</p> <p>Herman Kranc discussed the role of the Preferred Drug List and the Pharmaceutical and Therapeutics Committee. He explained some of Medicaid's utilization review/clinical programs, including CADAP</p> <p>Marguerite Giuliano asked if anyone at DSS has looked at prescription price gouging.</p> <p>Herman Kranc responded that it is looked at, including wholesale prices.</p> <p>Pat Baker asked if any state or national policies are in place that could make a difference in healthcare costs.</p> <p>Robert discussed the cancer and hepatitis medications years ago that failed and why. He stated the new medications are costly but are safe and work well, which reduces long term costs to the system.</p> <p>Ellen Andrews stated that certain drugs that are approved may only be shown to improve survival rates from 23% to 43%. We need to understand that in some cases medications are not a cure. Consumers need to be aware of what they're spending the healthcare dollars on.</p>	

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		<p>Marguerite asked how rebates are shown in the budget. Does the budget show how rebates are applied? Are they reflected in the budget?</p> <p>Vicki responded it has to do with formulas and nationals.</p> <p>Kurt Barwis noted that Bristol Hospital has seen an increase in violence. He is certified in first response-seeing it for himself. Barwis informed the members about the hospital exploring a partnership with the police department. It is cost saving because officers will not have to be sent out. He thinks we need more training because it is so complex.</p> <p>The Lt. Governor mentioned a prior discussion about Medicaid allowing purchasing power between states. Why would Medicaid purposely do that?</p> <p>Kate responded that her question was an interesting one and that CMS has not had comparisons for states.</p>	
5.	Next Steps	The Lieutenant Governor announced that there is a bill proposed that establishes an Office of the Health Strategy, consistent with the recommendation of the Cabinet in the Bailit cost containment study.	
6.	Next Meeting	The next meeting of the Healthcare Cabinet has been rescheduled to be held on Tuesday, April 18, 2017 at the State Capitol Room 310. The meeting time is 9:00AM-12:00PM	
7.	Adjourn	Motion to adjourn	Pat Baker motioned and Miriam Delphin-Rittmon seconded.

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