

Draft Charters

Healthcare Cabinet

Rx Work Groups

August 8, 2017

Pricing Work Group

Workgroup Charge:

- This work group will develop for recommendation to the Health Care Cabinet, a proposal to create an actionable plan to align payer contracting with pharmaceutical manufacturers, PBMs, providers and pharmacies that aligns the value and price of prescription drugs to achieve the aims of improving outcomes and the patient experience, reducing overall medical costs and improving health equity. The recommendations will include meaningful actions that can be taken by state purchasers, regulators, the legislature, or other payers to promote the adoption of pharmacy purchasing strategies that achieve the above goals.
- The workgroup will review various pharmaceutical value based purchasing strategies including, but not limited to:
 - Performance based pricing – Price set based upon meeting certain clinical outcomes
 - Value based pricing – Price set to match the value of the drug
 - Indication based pricing – Varied pricing based upon the value of the drug in treating different indications

Pricing Work Group (cont'd)

Key questions that need to be answered:

- What types of value based purchasing strategies are worth considering?
- Does value based pricing have the potential to support the goals of improving outcomes and the patient experience, reducing overall medical costs and improving health equity?
- What are the potential risks and pitfalls of a pharmaceutical value based pricing strategy?
- What are the criteria to determine good candidates for value based pricing?
- What resources and technical capabilities are required?
- What regulatory and legal hurdles must be addressed?
- What has been the experience with value based purchasing of pharmaceuticals to date?
- How will opportunities to implement value-based purchasing strategies differ based upon specific payers?

Legislative and Administrative Initiatives Review Work Group

Charter:

This work group will research, collect and report back regarding legislative, administrative or regulatory initiatives and policies intended to reduce pharmaceutical costs that are either under consideration or have been adopted in Connecticut and other states. The purpose is to provide a comparative policy context with developments in other U.S. jurisdictions, as well as to provide a resource to inform discussion and decision-making in the Healthcare Cabinet and the Cabinet's other pharmaceutical costs-related work groups. This work group will strive to make the information available to our sister work groups early enough for them to use the information in completing their own tasks.

Legislative and Administrative Initiatives Review Work Group

Questions We Need To Answer

Scope:

1. Should the work group's focus be costs to the state, costs to everyone, or some combination of both?
2. Should the group focus on policies and initiatives that affect every part of the supply & retail chain? Same question with reference to the research, development, and manufacturing chain?
3. Are there any particular jurisdictions we should focus on?
4. What useful sources of information are out there? Examples include:
 - a. National Association of Insurance Commissioners
 - b. National Council of State Legislatures
 - c. NASHP
 - d. Research foundations (Kaiser, Pew, etc.)
 - e. Industry groups
 - f. Advocacy organizations
 - g. Academic or scholarly publications

Logistics:

1. How should this work group organize or categorize the information to make it more useful to the Cabinet?
2. How and where will the information be stored and/or presented, and how will it be accessed?

Health Care Cabinet Work Group on Prescription Drug Cost Determination and Cost Containment Draft Charter

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

Transparency

- What are the transparency policies we're trying to pursue and what public and commercial data are needed to inform them?
- 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?
- How is transparency of drug pricing data most useful to consumers? To regulators? To purchasers?
- Should there be any categories of data excluded from disclosure requirements?

State Purchasing Policies

- 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?

Regulation

- What are the different price regulation strategies?
- How do we define "unaffordable"? List price above \$x? An increase in price greater than x% in one or over multiple years?
- 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.
- What are the potential policy pitfalls and/or legal issues associated with any price transparency and/or regulation strategies?
- What kind of infrastructure would be needed to monitor and potentially regulate drug prices? What existing agencies could become involved?

Education Committee Draft Charter

This Education Committee will develop for recommendation to the Health Care Cabinet a proposal for the exploration of education for the consumer, provider, payor, prevention and health promotion efforts and role of pharmacists regarding effective use and cost of medications.

Education Work Group – Draft Charter

- KEY QUESTIONS THIS COMMITTEE NEEDS TO ANSWER:
- Should we be the group to design standards of 2 way communication between consumers and the health system regarding effective use of medication and medication devices?
- How do we make recommendations comprehensive, meaningful, and measurable and promote quality?
- How do we insure flexibility and appropriateness of diversity in population education?
- How do the education efforts become integrated into public health promotion best practices for wellness and lifestyle change?

Education Work Group Draft Charter (cont'd)

- What are the avenues available to connect community resources and educational efforts?
- What is the interface between prescribing physicians/providers and pharmacists, consumers, and payors?
- Where is the safeguard for the consistency and continuity of the message?
- Should we consider the impact of Direct to Consumer advertising and utilization of coupons?