

DRAFT

**Health Care Cabinet
Pharmacy Pricing Workgroup
Meeting Summary**

Monday, September 25, 2017

2:30pm - 4:00pm

Office of the State Comptroller - 55 Elm St. Hartford CT

3rd Floor Conference Room F

and online via <https://zoom.us/j/727249552>

Members Present: *Chair* - Josh Wojcik, Policy Director, Office of the State Comptroller; Steve Pearson, Executive Vice President and Chief Operating Officer of Institute for Clinical and Economic Review (ICER); Marghie Giuliano, Executive Vice President, CT Pharmacists Association; Kurt Barwis, President and CEO, Bristol Hospital; National Organization of Rare Diseases, Consumer Advocate

Members Via Video Conference: Faina Dookh, Project Manager, SIM Program Management Office

Other Participants: James Kenney, Manager, Specialty and Pharmacy Contracts, Harvard Pilgrim Health; Steven Larrabe, Harvard Pilgrim Health; Leslie Bennet,; Sandra Czunas, Assoc. Health Care Analyst, Office of the State Comptroller

1. Welcome and Introductions

The Chair opened the meeting at 2:35p.m., participants introduced themselves.

2. Public Comment

No public comment

3. Presentation on Value Based Purchasing Arrangements & Discussion

James Kenney presented on Harvard Pilgrim's self-managed prescription drug benefit, value based contracting experience which highlighted the goals, methods, variables, barriers and complexities around Value Based Contracts (VBC). (see presentation)

4. Discussion

Kurt Barwis: What is the cost to administer a VBC?

Jim Kenney: approximately 14 - 18 staff dedicated to managing VBC. This includes 6 clinical pharmacists who take calls from patients and review new legislation to understand its impact. A compliance group manages reporting, works with the informatics team, explains benefits to clients and prepares documents so use indications are in compliance with good clinical practice.

Kurt: How do they look at opportunities to manage patients who have multiple chronic conditions?

Jim: Pharmacists work in disease management, medication reconciliation, etc. to identify with patients who have multiple conditions. Management falls to case managers who pull patient records if denied a drug, to review for approval. 100 case managers are on staff.

Marghie Giuliano: Do they only reimburse their own pharmacists?

Jim: Currently, just those in-house – unless it's a contracted pharmacist. There is no fee schedule for pharmacist intervention.

Marghie: may want to consider covering [independent pharmacist intervention] with rebate dollars

Josh: Because this is outcomes based and reliant on adherence, how is the behavior [adherence] of patients monitored? Are there incentives for the manufacturer to ensure adherence? How can real value be measured?

Jim: Establishing a baseline is important – the challenge is patient engagement / compliance. Manufacturers must have the tools to engage patients.

Josh: On Medicaid best price, is it possible to structure the rebate to pay over a longer period of time? Are there any tricks of the trade?

Jim: It's possible to place a cap on the rebate paid for the quarter if an outcomes based contract would otherwise exceed a set amount.

Steve Pearson: Do we know if full refund effects best price?

Jim: Amgen was given a safe harbor - legislative relief is needed from Congress. It's difficult to determine if the initial price is related to value or rebates – it is hard to learn from this because it is proprietary – but the Europeans have done it. There's also an administrative burden and savings may not be enough to cover the administrative cost.

5. Next Steps

The next meeting will be held on October 10 at 10am where timelines for recommendations will be discussed, may plan on mid-November for an additional meeting. The group can work off a list of high-level concepts for recommendations at the next meeting, discuss what has support and what does not. If some have specific ideas, please send directly to the Chair to gather and consolidate to share with the group.

6. Adjournment

The Chair adjourned the meeting at 3:47p.m.