DRAFT PROPOSALS	*DISCUSSION SUMMARY*
Proposals under Medicaid:	
1. Continue to evaluate the potential benefits of various types of value based contracts for supplemental rebates, including monitoring and review of outcomes of other states' strategies, such as NY and MA	*Follow Up:* Pending final review at next work group meeting, 11/7.
2. Consider and evaluate the potential benefits and risks of adding exclusions in certain circumstances	
Proposals under the State Employee Health Plan:	
1. Make capacity and engagement in value based contracting a consideration in selecting a PBM vendor.	
2. Require PBM to utilize independent analysis of the therapeutic value of drugs, including their comparative effectiveness and cost-effectiveness, to build a value based formulary	*Change:* The proposal is amended to clarify that cost is also a factor in analysis.
3. Explore opportunities for direct engagement with manufacturers	
4. Over the long-term determine if Medicaid's capacity and expertise in formulary development and rebate contracting could be utilized by the state plan.	
Group Purchasing:	
1. Determine if a centralized purchasing and distribution model for certain drugs for statewide consumption is needed (e.g. similar to children vaccines or drugs essential to public health such as narcan).	*Follow Up*: The Chair will seek formal feedback from the CT Association of Health Plans.
2. Explore fiscal feasibility and potential benefits of implementing a reinsurance program that includes funding from both self-funded and fully insured plans for the purposes of treating rare diseases (for both medical and pharmacy)	*Follow Up:* The Chair will seek formal feedback from the CT Association of Health Plans. More discussion is also needed in the work group to flesh out this recommendation.
3. Explore the opportunity for a public PBM option. One option would be to build off of the state plan which already has the ability to offer its PBM contract terms to other non-state government entities per statute.	*Follow Up:* More discussion is also needed in the work group to flesh out this recommendation.
The following items will be discussed at the next meeting of the work group, November 7th at 9:30 a.m.	
Other Items for Consideration:	
1. Require co-insurance and deductibles to be based on net price – see CVS power point for additional detail.	*Follow Up*: The Chair will reach out to the Insurance Department to obtain feedback on this proposal. Specifically, clarification will be sought on current insurance laws on maximum co-pay, co-insurance, and deductible levels. The Chair will also reach out to the Pharmaceutical Care Management Association for feedback.
2. Require any additional rebates associated with value contracts be shared with risk holders/consumers – may require transparency reporting from PBMs to	*Follow Up*: The Chair will work with ICER to narrow and clarify this proposal to include specific components of

ensure risk holders and consumers are benefiting from negotiated rebates • Update: Promote formulary designs that focus on value. For example tying formulary placement to value, not rebate size: - Using an independent assessment of value, purchasers can have a formulary that assigns tier and cost-sharing by how close the drug price is to the benefit it brings to patients (value-based price). - Drugs priced at or below the value-based price benchmark received preferred tiering (tier 1 or 2), with little or no cost-sharing for patients (co-pay instead of co-insurance). - Drugs priced above the benchmark can be treated one of two ways: 1) they are exclude dfrom the formulary entirely (but would be available through an exception process), or 2) the purchaser reimburses up to the value-based price, and the difference is the patient's responsibility. In option 2, the pharmaceutical company could offer patient assistance to the patient for the difference between the drug price and the price benchmark; in this scenario, the "rebate" goes directly to the patient, instead of to the PBM or payer.	transparency reporting.
3. Require PBMs to be fiduciaries of at risk plans in order to align incentives	*Follow Up*: The Chair will reach out to the Insurance Department to obtain feedback on this proposal.
4. Explore using outcome based contracts to engage additional resources for medication compliance, adherence and care management	
1. ~~Specifically charge, in statute, the new Office of Health Strategy with overseeing statewide policy associated with pharmaceuticals~~ In the development of the statutory charge of the Office of Health Strategy, consider the inclusion of specific authority to study, monitor, and implement health care cost containment initiatives relating to prescription drug pricing ~~2.~~	*Change*: OPM will work with Vicki Veltri to clarify the scope of the charge.
NEW PROPOSAL FROM 10/6 MEETING	
Allow consumers to amortize deductibles over a 12 month period.	*Follow Up:* The Chair will reach out to the Insurance Department to obtain feedback on this proposal.