



Healthcare Benchmark Initiative
Data Analytics Workgroup Meeting
June 5, 2024

Welcome and Roll Call

Meeting Agenda

<u>Time</u>	<u>Topic</u>
2:00 p.m.	I. Welcome and Roll Call
2:05 p.m.	II. Approval of April Meeting Minutes – Vote
2:10 p.m.	III. Retail Pharmacy Spending Trends
2:30 p.m.	IV. Defining Medical Pharmacy
2:40 p.m.	V. Cost Growth Mitigation Strategies
2:50 p.m.	VI. Public Comment
2:55 p.m.	VII. Wrap-Up
3:00 p.m.	VIII. Adjournment

Approval of April 3rd Meeting Minutes – Vote

Retail Pharmacy Spending Trends

Retail Pharmacy Spending Trends: Background

- As a reminder, during our April review of the 2022 cost growth benchmark results, we observed that retail pharmacy was the #1 driver of 2022 spending growth across all three markets.
- Since that time, OHS has conducted follow-up analyses using APCD data to put this observation into the context of longitudinal trends, and to better understand the role of changes in payment per unit vs utilization.
 - Keep in mind that the data we present to you now does not align perfectly with the data presented in March due to the different data sources used, including the lack of drug rebates in the APCD.

Measured Population

- Connecticut residents of all ages and all gender identities
- Payments made through June 2023 for prescriptions filled between 2018 and 2022
- Retail pharmacy claims for members with commercial, Medicaid, or Medicare coverage
- Medicaid results include members who are dually eligible for Medicare
 - Commercial and Medicare results are restricted to those with primary coverage
 - Medicare data are for Medicare Advantage only.



Methodology

- Total Spending is based on the “allowed” amount, which includes the patient cost sharing obligation
- Units are 30-day equivalents

Retail Pharmacy: Total Spending Trends

Year	Market	PMPM Spending	Payment per Unit	Utilization per Thousand
2021-2022 Trend	Commercial	14.1%	7.0%	5.9%
	Medicaid	5.3%	8.9%	-3.6%
	Medicare	14.6%	5.8%	7.7%
Average Annual Trend, 2018-2022	Commercial	6.4%	6.1%	1.8%
	Medicaid	1.9%	5.4%	-2.6%
	Medicare	8.8%	7.2%	3.0%

Source: APCD

Retail Pharmacy: Generic Spending Trends

Year	Market	PMPM Spending	Payment per Unit	Utilization per Thousand
2021-2022 Trend	Commercial	7.7%	-0.4%	7.4%
	Medicaid	-3.0%	0.8%	-2.7%
	Medicare	12.4%	5.8%	6.9%
Average Annual Trend, 2018-2022	Commercial	-0.6%	-1.5%	1.7%
	Medicaid	-5.1%	-1.0%	-2.7%
	Medicare	0.9%	-0.3%	3.1%

Source: APCD

Retail Pharmacy: Brand Spending Trends

Year	Market	PMPM Spending	Payment per Unit	Utilization per Thousand
2021-2022 Trend	Commercial	15.5%	17.4%	-1.1%
	Medicaid	6.4%	18.5%	-9.9%
	Medicare	15.0%	-2.5%	12.7%
Average Annual Trend, 2018-2022	Commercial	8.1%	5.2%	3.4%
	Medicaid	2.9%	8.1%	-4.7%
	Medicare	10.8%	8.3%	2.9%

Source: APCD

Spending Trends by Drug Class

- Two high-spend drug classes have seen rapid growth in spending across all three markets in recent years: **immunosuppressants** and **antineoplastic agents**.
 - Immunosuppressants are drugs used to treat autoimmune diseases and to support organ transplants.
 - Antineoplastic agents are cancer drugs.
- Other drug classes, such as respiratory agents, have also seen rapid growth, but represent a smaller portion of total retail pharmacy spending and thus had a less significant impact on overall retail pharmacy spending growth.
- The following slide illustrates the relative share of 2022 retail pharmacy spending represented by immunosuppressants and antineoplastic agents for each market.

2022 Retail Pharmacy Spending on Immunosuppressants and Antineoplastic Agents

Drug Class	Market	Total 2022 Spending in the APCD	% of 2022 Retail Pharmacy Spending in the APCD	2022 Spending Rank Among Drug Classes
Immunosuppressants	Commercial	\$595,677,279	26%	#1
	Medicaid	\$262,533,181	15%	#3
	Medicare	\$240,385,390	8%	#5
Antineoplastic Agents	Commercial	\$217,451,390	10%	#4
	Medicaid	\$82,673,711	5%	#4
	Medicare	\$386,603,888	13%	#2

Source: APCD

Immunosuppressants Spending Trends

Year	Market	PMPM Spending	Payment per Unit	Utilization per Thousand
2021-2022 Trend	Commercial	25.9%	9.1%	15.2%
	Medicaid	22.8%	9.9%	9.1%
	Medicare	27.6%	10.5%	14.7%
Average Annual Trend, 2018-2022	Commercial	21.9%	8.2%	12.1%
	Medicaid	21.4%	9.1%	10.9%
	Medicare	23.3%	9.5%	14.3%

Source: APCD

Antineoplastic Agents Spending Trends

Year	Market	PMPM Spending	Payment per Unit	Utilization per Thousand
2021-2022 Trend	Commercial	19.4%	11.3%	5.6%
	Medicaid	2.9%	10.5%	-4.3%
	Medicare	15.2%	9.8%	6.4%
Average Annual Trend, 2018-2022	Commercial	14.5%	13.7%	1.9%
	Medicaid	14.7%	18.2%	-0.5%
	Medicare	12.8%	11.7%	3.1%

Source: APCD

Retail Pharmacy Spending Trends Summary

1. Retail pharmacy payment per unit has grown across all three markets due to increased payments for brand-name drugs.
2. Spending on *immunosuppressants* and *antineoplastic agents* has driven retail pharmacy spending growth across all three markets.
 - Average annual growth in payment per unit approached or exceeded 10% for both drug categories from 2018–22.

Defining Medical Pharmacy

Defining Medical Pharmacy

- Bailit Health is currently facilitating a multi-state work group through the Peterson–Milbank Program to standardize health care cost driver definitions.
 - The work group started by focusing on medical pharmacy.
- To provide additional input to this in-progress work, we would appreciate your answers to the following questions:

1. How do your organizations determine whether a drug is covered under an individual's medical benefit or pharmacy benefit?

2. How do your organizations approach payment and analysis of medical pharmacy that is bundled in a hospital claim so that there is no separate dollar amount on the claim line for the drug?

Cost Growth Mitigation Strategies

Cost Growth Mitigation Strategies

- To date, this work group has primarily focused on providing feedback on various analyses, including suggestions for further analysis.
- However, central to this work group's charge is providing advice on **opportunities for cost growth mitigation strategies to improve healthcare affordability.**
- Therefore, we would love to hear your thoughts:

Based on the data we have reviewed today, what strategies for cost growth mitigation would *you* recommend that OHS pursue?

Public Comment

Wrap-Up and Next Steps

Wrap-Up and Next Steps

- The next Data Analytics Workgroup meeting is scheduled for **August 7th from 2-3 pm**, contingent on OHS having sufficient new content to present for discussion.
- OHS will be holding the statutorily required **annual public hearing** on the cost growth benchmark, primary care spending target, and quality benchmark results on **Tuesday, June 25th at the Legislative Office Building**. You are all invited to attend.