Healthcare Benchmark Initiative Data Analytics Workgroup

Meeting Date	Meeting Time	Location
June 5, 2024	2:00 pm – 3:00 pm	Zoom Meeting: https://us02web.zoom.us/j/87801527743?pwd=U0FzbnNJNFgyZ2hRUWQ0ZnZIYXl2dz09

Participant Name and Attendance | Council Members					
Kati Villeda	R	Josh Wojcik	R	Michaela Dinan	R
Adrian Devia	R	Lisa Douglas	R	Gui Woolston	X
Joe Quaranta	X	Olga Armah	R	Vijaya Gorty	R
Sarah Carr	R				

Others Present					
Aby Cotto, OHS	R	Michael Bailit, Bailit Health	R	Matt Reynolds, Bailit Health	R
Hanna Nagy, OHS	R	**R** = Attended Remotely; **IP** = In Person; **X** = Did Not Attend			

Agenda

	Topic	Responsible Party	Time
1.	**Welcome and Roll Call**	**Michael Bailit**	**2:00 PM**
	Michael Bailit welcomed everyone to the ninth Data Analytics Workgroup meeting. Michael invited Matt Reynolds to conduct a roll call. There was a quorum present.		
2.	**Action: Approval of April 3rd, 2024 Meeting Minutes**	**Workgroup Members**	**2:05 PM**
	Josh Wojcik motioned to approve the minutes. Olga Armah seconded the motion. There was no opposition, nor any abstentions. The minutes were approved.		
3.	**Retail Pharmacy Spending Trends**	**Michael Bailit**	**2:10 PM**

Michael Bailit reminded the group that the 2022 cost growth benchmark results showed that retail pharmacy was the number one driver of 2022 spending growth across all three markets. Michael noted that OHS had since conducted follow-up analyses using All-Payer Claims Database (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. Michael then reviewed the measured population and methodology for the subsequent analyses, highlighting that the Medicare data were for Medicare Advantage only.

Michael shared that retail pharmacy payment per unit saw notable annual increases across all three markets between 2018-2022, producing annual increases in per member per month spending for commercial and Medicare Advantage. Over this period, spending growth was driven by growth in payment per unit for brand name drugs, and not for generic drugs.

- Olga Armah asked how retail pharmacy rebates compare to total retail pharmacy spending. Michael replied that rebates usually account for about 15% of total spending in the commercial market and about 50% for Medicaid.
- Josh Wojcik asked if OHS would be able to present data net of rebates. Michael replied that OHS has retail pharmacy data net of rebates at the aggregate market level, but not drug-specific rebate data. Michael added that other states have legislation requiring submission of drug-specific rebate data, but Connecticut currently does not.

Michael Bailit noted that two high-spend drug classes had seen rapid growth in spending across all three markets in recent years: immunosuppressants and antineoplastic agents. For immunosuppressants, spending grew over 20% per year from 2018-2022 across markets due to growth in both payment per unit and utilization.

	For antineoplastics, spending grew over 12% per year across markets, almost entirely due to payment-per-unit growth. Michael summarized that retail pharmacy payment per unit had grown across all three markets due to increased payments for brand-name drugs, with spending on immunosuppressants and antineoplastic agents contributing most significantly to growth in all three markets. • Sarah Carr wondered what Medicaid was doing differently to see lower spending and price per unit increases than the commercial and Medicare markets. Michael noted that Medicaid gets much bigger rebates but otherwise, he thought this was a good question to ask DSS. Josh Wojcik explained that for Medicaid, the net prices of drugs are subject to inflation-based limits on annual growth.		
4.	**Cost Growth Mitigation Strategies**	**Michael Bailit**	**2:30 PM**
	Michael Bailit asked what cost growth mitigation strategies the group would recommend in response to the data reviewed during the meeting. • Lisa Douglas pointed to maximizing tiering in benefit plan design, use of mail order, and use of cheaper generic or biosimilar alternatives where available. • Josh Wojcik noted two scenarios drive utilization to higher cost drugs. First, Josh noted that retail pharmacy tends to favor the highest discount drug rather than the lowest net cost drug. In response to this, Josh suggested that the state could require in-network pharmacies be reimbursed by commercial plans based on National Average Drug Acquisition Cost (NADAC). Second, for medical pharmacy, Josh noted that reimbursements are often set at a percentage of the cost of the drug, thereby also incentivizing the use of higher cost drugs. In response to this, Josh suggested that the state could require reimbursements to be set at a constant figure rather than a percentage of the drug's cost. Josh noted that OHS could perform analyses to evaluate the impact that his proposals would have. Finally, Josh noted that more biosimilars are becoming available for immunosuppressants, adding that biosimilar utilization could be driven by setting an upper payment limit for a drug type that aligns with the price point of the biosimilars. Josh acknowledged that not all biosimilars possess the same potential for savings, but for some drugs like Humira where there are multiple competing biosimilars, Josh stated the savings can be large. o Sarah Carr said she supported Josh's proposal to increase biosimilar utilization by setting upper payment limits, but she wondered if Josh's proposal for in-network pharmacies would drive pharmacies away from contracting in network. • Lisa Douglas suggested counteracting direct-to-consumer advertising for Humira and other pricey brand name drugs by conducting a direct-to-consumer advertising campaign promoting generic and biosimilars as a way to lower out-of-pocket costs.		
5.	**Defining Medical Pharmacy**	**Michael Bailit**	**2:40 PM**
	Michael Bailit asked the group the two 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? • Josh Wojcik said he would like to provide written responses to the questions after the meeting. • In response to the second question, Lisa Douglas suggested using a national average for each drug, or an average based on claims where the drug is broken out on a separate claim line.		
6.	**Public Comment**	**Members of the Public**	**2:50 PM**
	Michael Bailit offered the opportunity for public comment. There were no public comments.		
7.	**Wrap-Up and Next Steps**	**Michael Bailit**	**2:55 PM**

	Michael Bailit noted that the next meeting was scheduled for Wednesday, August 7th at 2 pm, contingent on OHS having sufficient content to present to the Workgroup for discussion. Michael also noted that OHS would 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, and invited Workgroup members to attend.		
8.	**Action: Adjournment**	**Workgroup Members**	**3:00 PM**
	Olga Armah motioned to adjourn the meeting. Josh Wojcik second the motion. The meeting adjourned at 2:52 PM.		

Upcoming Meeting Dates:
August 7, 2024
October 2, 2024
December 4, 2024

All meeting information and materials are published on the OHS website located at:
https://portal.ct.gov/OHS/Pages/Data-Analytics-Workgroup