Health Care Cabinet
Pharmacy Pricing Working Group
Agenda & Notice of Meeting

Tuesday, October 31, 2017 10:00 AM –11:30 AM
Office of the State Comptroller 55 Elm St. Hartford CT - 3rd Floor Conf. Rm. F

For remote access join using this link: https://zoom.us/j/386667985
Call in number: 1 408 638 0968
Meeting ID: 406 806 592

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1. Call to order & introductions
2. Approval of Minutes
3. Public Comment
4. Development and discussion of draft recommendations
5. Next Steps
6. Adjourn

DRAFT PROPOSALS	*DISCUSSION SUMMARY*
Proposals under Medicaid:	
1. Develop the capacity to engage in various types of value based contracts for supplemental rebates. (OK, MI, OR, etc.)	*Follow Up:* The Department of Social Services (DSS) will review the three proposals and provide feedback at a future meeting. DSS may also prepare alternative proposals for the work group's review based on their analysis of the current draft proposals.
2. Pursue a waiver from the federal government to utilize value bales assessments to design a value based formulary which may or may not include exclusions. (MA)	
3. Impose a Medicaid prescription drug spending growth cap and require supplemental rebates be pursued when the cap is breached for drugs identified as have the most significant impact on rising costs. (NY)	
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 ~~ICER reports~~ <u>independent analysis of the therapeutic value of drugs</u> to build a value based formulary	*Change:* The proposal will be amended to not include specific reference to one entity.
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. Establish an entity to purchase and distribute certain drugs for statewide consumption. This approach would be appropriate for drugs that do not fit easily into the standard insurance model (e.g. drugs for extremely rare diseases or drugs essential to public health (Narcan, etc.). – Should we consider something more akin to reinsurance for rare and expensive drugs?	*Follow Up*: The Office of Policy and Management (OPM) will reach out to the CT Association of Health Plans for feedback on this proposal and share with the work group at a future meeting.
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 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	*Follow Up*: The Chair will work with ICER to narrow and clarify this proposal to include specific components of transparency reporting.

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.	
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.