

## Pharmacy Cost Mitigation Strategies Workgroup

*“We collaborate, out of a shared concern and responsibility for all Connecticut residents, to develop consensus models that advance equity and consumer affordability of healthcare in our state.”*

Meeting Date	Meeting Time	Location
September 19, 2023	11:00 am – 12:30 pm	Zoom Meeting <a href="https://us02web.zoom.us/j/85462317953?pwd=MEEx2OU1OdHdnRENCUGdpRGJKeWRMQT09">https://us02web.zoom.us/j/85462317953?pwd=MEEx2OU1OdHdnRENCUGdpRGJKeWRMQT09</a>

Participant Name and Attendance   Steering Committee Members			
Jennifer Herz	R	Chris Marsh	X
Sean King	R	Rob Wenick	R
Lori Pasqualini	R	Kristen Whitney-Daniels (Co-Chair)	R
Marie Smith	R	Gui Woolston	R
Chris Ulbrich	X	Josh Wojcik (Co-Chair)	R
Cindy Dubuque-Gallo	X	Michael Bailit, Bailit Health	R
Hanna Nagy, OHS	R	Matt Reynolds, Bailit Health	R
Krista Moore, OHS	R	Alyssa Vangeli, Bailit Health	R
Jeannina Thompson, OHS	X	<b>R = Attended Remotely; IP = In Person; X = Did Not Attend</b>	

Agenda			
	Topic	Responsible Party	Time
1.	<b>Welcome</b>	<b>Josh Wojcik and Kristen Whitney Daniels</b>	<b>11:00 am</b>
	Members were welcomed and the agenda items for the September 19 <sup>th</sup> Pharmacy Cost Mitigation Strategies Workgroup meeting were reviewed. It was determined that a quorum was present.		
2.	<b>Review Recommended Proposals for:</b> <ul style="list-style-type: none"> <li>• Reference-based payments</li> <li>• Pharmacy benefit manager strategy</li> <li>• State-contract production of generics</li> </ul>	<b>Michael Bailit, Bailit Health</b>	<b>11:05 am</b>
	<u>Reference-Based Payments</u> <ul style="list-style-type: none"> <li>• Josh Wojcik asked that the reference-based payment recommendation presented to the Steering Committee more clearly indicate that the state’s “top 10” commercial market retail drugs are the 10 drugs with the highest total spending, based on APCD data.</li> <li>• Jennifer Herz stated that looking at just total spending may result in targeting the highest utilized drugs and not necessarily the most expensive drugs. <ul style="list-style-type: none"> <li>○ Michael Bailit replied that using the drugs with highest total spending would help the state address drugs that would likely contribute the most to health care spending growth.</li> <li>○ Jennifer stated that Boehringer Ingelheim disagreed with this thinking and added that she thought a more nuanced approach involving both the cost of a 30-day supply and total spending was required.</li> <li>○ Robert Wenick expressed concern that a drug’s value would not be considered if the approach were to be based on total spending alone. Robert said he thought that looking at the impact on total medical spending based on value would be more useful than total spending on a drug alone.</li> </ul> </li> </ul>		

- Lori Pasqualini added that she thought the cost per drug should be considered.
- Josh Wojcik noted that the proposed approach was designed to be simple and easy to administer to facilitate coordination across states. Josh added that he thought a prescription drug affordability board (PDAB) would be required to take a more nuanced approach, adding that PDABs were resource intensive and could only look at a small number of drugs, lessening the potential impact on overall costs and affordability.

Pharmacy Benefit Manager Strategies

Strengthen Rebate Transparency

- Josh Wojcik stated that he supported the proposed revisions to the definition of rebates.
- Marie Smith stated that she thought the revised definition covered issues related to vertical integration much more thoroughly.
- Jennifer Herz thought the revision rebate definition made sense but asked if the group was also recommending that the rebate be given to the patient instead of the carrier using it to reduce premiums broadly.
  - Josh Wojcik noted that the group previously discussed that this type of pass through would be helpful to the individual but was outside the scope of the group since the group’s focus was to limit total aggregate spending.
  - Jennifer Herz noted that if the end goal was to ensure patients can afford medications, then passing rebates through to the patient would be in scope.
  - Lori Pasqualini agreed with the notion of prioritizing the end benefit to the patient.
  - Josh Wojcik agreed with the idea of passing rebates through to the patient but noted that he thought work group staff should return to the group’s charge and previous discussion on goals to see if adding a rebate pass through proposal was in scope.

Prohibit Spread Pricing and Fee-Based PBM Pricing

- Members expressed support for these proposals.

Expand PBM transparency and reporting requirements

- Members were comfortable with the recommendation to explore these further.

Requiring PBM Licensure

- Members were comfortable with the recommendation to explore these further.

Upper Payment Limits and Generic Drugs

- Members were comfortable with the recommendation to explore these further.

Providing Capital Investment for Production of Generic Drugs

- Members were comfortable with the recommendation to explore these further.

3.	<b>Discuss Additional Proposals</b> <ul style="list-style-type: none"> <li>● <b>Penalizing excessive price increases</b></li> <li>● <b>Inclusion of pharmacy expense in Total Cost of Care Contracts</b></li> </ul>	<b>Michael Bailit, Bailit Health</b>	<b>11:50 am</b>
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Penalizing Excessive Price Increases

- Kristen Whitney Daniels stated that she thought this was an interesting approach that aligned with work being done at the federal level under the Inflation Reduction Act.
- Lori Pasqualini wondered if the recommendation could be modified to say that any penalties paid would go directly to those individuals who paid for the drugs that had excessive price increases.
- Jennifer Herz thought passing rebates through to patients would be more straightforward. Jennifer said Boehringer Ingelheim had concerns with this concept and would need more information on what constitutes an excessive price increase.
- Marie Smith expressed support for adding this proposal to the group’s set of recommendations.

Inclusion of Pharmacy Expense in total cost of care (TCOC) Contracts

- Marie Smith asked if TCOC contracts were sufficiently prevalent in Connecticut for this proposal to be potentially meaningful. Josh Wojcik replied that the prevalence of TCOC contracts was not low, but rather a low proportion of TCOC contracts in the state involved providers taking on downside risk.
- Marie Smith noted there would be a lag time for broad implementation since the proposal(s) would likely only apply to new contracts.

	<ul style="list-style-type: none"> <li>• Josh Wojcik stated that, while he supported the recommendation involving the development of statewide advanced payment model targets, he was unsure if the recommendation was within the group’s scope.</li> <li>• Rob Wenick noted that he thought clinicians had to include pharmacy spending in TCOC to be mindful of drug costs and value vs. costs, and to therefore change prescriber behavior.</li> </ul>		
<b>6.</b>	<b>Wrap-up and next steps</b>	<b>Josh Wojcik and Kristen Whitney Daniels</b>	<b>12:25 pm</b>
	<ul style="list-style-type: none"> <li>• The recommendations of the Pharmacy Cost Mitigation Strategies Workgroup will be presented to the Healthcare Benchmark Initiative Steering Committee on next Thursday, September 28, 2023.</li> </ul>		
<b>7.</b>	<b>Adjournment</b>	<b>Josh Wojcik and Kristen Whitney Daniels</b>	<b>12:30 pm</b>
	The meeting adjourned at 12:23 p.m.		

**All meeting information and materials are published on the OHS website located at:**  
<https://portal.ct.gov/OHS/Pages/Pharmacy-Cost-Mitigation-Strategies-Workgroup/Meeting-Agendas>