



STATE OF WISCONSIN

**GOVERNOR'S TASK FORCE ON
REDUCING PRESCRIPTION DRUG PRICES**

Meeting Minutes

July 21, 2020

10 a.m. – 2 p.m.

Webinar via Zoom

Welcome

Nathan Houdek, OCI Deputy Commissioner and Task Force chair

- Deputy Commissioner Houdek welcomed Task Force members and public attendees.
- Key housekeeping items
 - A reminder that this is a public meeting.
 - Task Force members will have use of their microphones; the public does not.

Address from Governor Tony Evers

- Thank you to the Task Force members for their hard work and dedication.
- The cost of prescription drugs is a serious concern facing countless people across Wisconsin.
- Appreciate the task force staying focused on consumers and patients.

Consumer Experience

Dr. Barbara Horner-Ibler, Medical Director, Bread of Healing Clinic in Milwaukee shared her experience working with patients struggling to afford the cost of prescriptions. It is a free clinic for adults with chronic illnesses.

- Long-time patient with two prescriptions for inhalers to control her asthma who recently purchased health insurance. When she filled that script it was going to cost her over \$500 a month – the full cost of the prescription. She was forced to allow her insurance to lapse so that she could continue to afford her vital prescription drugs. This creates an untenable position and is common in the patients that Dr. Horner-Ibler sees.

Pfizer

Dr. Robert Popovian, Pharm.D., MS – Vice President, US Government Relations, Pfizer Inc

- A presentation from Dr. Popovian is available on the Task Force website:
<https://rxdrugtaskforce.wi.gov/Documents/Pfizer.pdf>

Issues raised by task force members:

- Other players in the drug supply chain claim that it is ultimately the drug manufacturers that set the list price, which drives increased drug prices. But, the manufacturer is saying that they are forced to increase prices because of rebates.
 - Rebate contracting creates misaligned incentives for more expensive medicines to be pursued over lower cost drugs.
 - The Kaiser example was highlighted as a no rebating contract model.
- How is the list cost of a drug price determined?
 - What goes into the price is more than just R&D, but also the cost of all the failures and future research, market dynamics, and portfolio pricing (vs individual pricing).



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- As a consumer, and from a policy decision-making process, it would be helpful to see on a given prescription what percentage goes to each entity in the supply chain.
 - Texas passed a bill to increase transparency and the market is moving toward more transparency regarding what goes back to each entity. There still is a limit to the transparency to ensure there is still blind bidding.
- What is driving utilization? Does PhRMA marketing drive utilization?
 - People getting older and Americans becoming less healthy drives utilization.
 - It is ultimately the plan design and formulary decisions made by insurance companies that determine a drug's accessibility.

The Pharmaceutical Research and Manufacturers of America (PhRMA)

Peter Fjelstad, JD – Senior Director, PhRMA State Policy

Sharon Lambertson, MS, RN – Deputy Vice President, PhRMA State Policy

Saumil Pandya, MHS – Deputy Vice President, PhRMA Advocacy

- A presentation from PhRMA is available on the Task Force website:
<https://rxdrugtaskforce.wi.gov/Documents/PhRMA.pdf>

Issues raised by task force members:

- A task force member questioned the dollar figure presented of \$2.6 billion to get a drug to market. Doesn't think that is representative of the average.
 - Other figures don't factor in failures – only 1 in 10 drugs in the pipeline get to market. The costs need to cover those 9 drugs that didn't make it to market.
- The rate of getting a molecule to market is 1 in 5,000 and it used to be 1 in 10,000. There is more efficiency but no more cost savings there.
- There were some discontent expressed around direct to consumer advertising.

Civica Rx

Heather Wall, MBA – Chief Commercial Officer, Civica, Inc.

Mohammad (Mo) Kharbat, MBA, B.Sc., R.Ph., BCPS – Vice President, Pharmacy Services and Health Research, SSM Health, Wisconsin Region

- A presentation from PhRMA is available on the Task Force website:
<https://rxdrugtaskforce.wi.gov/Documents/CivicaRx.pdf>

Task Force Member Discussion

Continue questions to PhRMA/manufacturers:

- Why does it matter to PBMs or health insurers if coupons are used toward deductible?
 - Some discussion about IRS implications.
 - What counts toward a member's contract obligation?
 - First mover penalty – get kicked off formulary.
- If prices are higher in the US than other countries, does it have to do with PBMs and rebates?



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- Prices are lower because those are single-payer systems where the government sets the price. The downside is the innovation, access to fewer medications, and slower access.

Next Meetings

- July 22 – Scheduled presenters include representatives from AARP, the American Diabetes Association, Vivent Health, the Northwest Prescription Drug Consortium, and the Department of Employee Trust Funds (update on the Wisconsin Pharmacy Cost Study Committee).
- August 25 – Discussion about policy recommendations

Adjourn