



STATE OF WISCONSIN

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

Meeting Minutes

February 19, 2020

10:00 a.m. – 2:00 p.m.

University of Wisconsin Oshkosh

Culver Family Welcome Center

Room 228; The Michael D. Wachtel Room

625 Pearl Ave, Oshkosh

Task Force Members Present: Nathan Houdek, Anna Benton, Josh Bindl, Brent Eberle, Tony Fields, Peter Fotos, Janet Fritsch, Michael Goldrosen, Ian Hedges, Lisa Lamkins, Alan Lukazewski, Laura McFarlane, Robyn Schumacher, Brian Stamm, Brian Stephens, Rep. Lisa Subeck (remotely), Lara Sutherlin, Yolanda Tolson, Sue Wilhelm

OCI Staff Present: Megan Aubihl, Jessica Carlson, Jennifer Stegall, Derek Spellman, Julie Walsh

Welcome

Nathan Houdek, OCI Deputy Commissioner and Task Force chair

- Deputy Commissioner Houdek welcomed Task Force members and public attendees
 - Mr. Houdek indicated the Task Force would continue discussing PBMs and hear presentations from health insurance providers and self-insured employers.
- Key housekeeping items:
 - Wisconsin Eye filming and live-streaming the meeting
- Consumer experience: two consumers shared their personal experiences in managing high prescription drug costs
 - Kyle Kemp, small business owner in Oshkosh
 - Mr. Kemp has diabetes and manages the expenses of insulin, test strips and other supplies on a limited income.
 - Shared with Task Force members the supplies needed to manage his diabetes (i.e. the cost of medications and supplies as well as how quickly those supplies are used)
 - Kimberly Goffard, public health nursing supervisor – Winnebago County Health Department
 - As the mother of a young adult son recently diagnosed with diabetes, Ms. Goffard explained the medical needs of her son and the expenses that accompany managing diabetes.
 - With health insurance and the use of a Flexible Spending Account, her family is able to cover their prescription drug expenses. However, Ms. Goffard emphasized that while her family is fortunate to be able to cover the expenses, the cost is high.

Health Insurance Plan's Perspective

Kris Hathaway, Vice President of State Affairs – America's Health Insurance Plans (AHIP)

- Ms. Hathaway urged Task Force members to include all partners in the supply chain including PSAs when reviewing how to contain costs.
- Ms. Hathaway highlighted that she was asked to talk about:
 - Point-of-sale rebates
 - Coupons



- Capping co-payments
- Freezing formularies

Ms. Hathaway's presentation is available on the Task Force website:

https://rxdrugtaskforce.wi.gov/Documents/AHIP_Presentation_2_19_20.pdf

- Task Force members expressed interest in understanding the dynamic between reducing the cost to the consumer at the pharmacy counter and the implications for the overall healthcare spend (including impact on premiums, deductibles, copays, etc.)

Pharmacy Benefits Manager Perspective

Heather Cascone, Senior Director of State Affairs – Pharmaceutical Care Management Association (PCMA)

Ms. Cascone's presentation is available on the Task Force website:

https://rxdrugtaskforce.wi.gov/Documents/PCMA_PBM_Presentation_2_19_20.pdf

- PBMs use tools such as rebates to negotiate price concessions
- Questions surrounding transparency continue to be a concern:
 - Releasing detailed data vs. aggregated data
 - PCMA maintains that rebate negotiations are trade secret
 - Reporting information could, even if unintentionally through mishandling of the data, make proprietary information available to competitors and drive costs up.
 - Insurers report prescription drug rebate data as part of their MLR reporting currently. Data on the portion a PBM retains is not available.

MagellanRx Management Medicaid Pharmacy Trend Report

Don Nelson, MBA, Vice President, Regional Government Affairs

The MagellanRx Management Medicaid Pharmacy Trend Report presentation is available on the Task Force website.

https://rxdrugtaskforce2016-auth-prod.wi.gov/Documents/Magellan_Rx_Presentation_2_19_20.pdf

- Mr. Nelson gave an overview of MagellanRx Management Medicaid Pharmacy Trend Report.

Employers' Perspectives on the High Cost of Prescription Drugs

Paul Meyer, COO at The Alliance

- Outlined the challenges faced in offering health benefits, including prescription drug coverage in the self-insured market

Tena Hoag, Chief Financial Officer at Advanced Laser

- Walked through the process by which Advanced Laser became self-insured; including partnering with other local businesses and creating a near-site clinic (later adding mental health care)

Jerry Ward, Executive Vice President at Seats Incorporated

- Self-funded since 1982; focus on healthcare is important to make sure employees are healthy and at work, and to control the company's third-highest cost
- Onsite clinic available to employees, whether they take their insurance or not
- Controlled prescription drug costs over the past several years
- Joined National Cooperative Rx in 2010 – pass rebate savings on to employer to bring down overall healthcare costs

Dan Ludwig, Director of Benefits and Safety at Brakebush Brothers, Inc.

- Started self-funding 2014; maintained flat costs; onsite health center
- Drug spending increased; cover 90% of the cost of medications but can still be expensive
 - Partnering with National CooperativeRx
 - Onsite clinic and onsite prescribing – seeing higher compliance



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- Work with a compliant and safe international mailorder program
 - Started theoretically looking into “medical tourism”
- Josh Bindl, Chief Executive Officer at National CooperativeRx
- Provided an overview of the National CooperativeRx business model

Task Force Member Discussion

The Task Force discussion was limited to 15 minutes due to presentations running longer than anticipated. Deputy Commissioner Houdek asked the Task Force members to weigh in on initial thoughts around rebate reporting and some of the requirements included in Assembly Bill 114/Senate Bill 100. Members engaged in limited discussion around the potential for publicly available rebate information, as well as the idea of a discount model and concerns with discriminatory reimbursement. Mr. Houdek apologized for the limited time for discussion and asked members to think about issues they would like addressed in the form of Task Force recommendations.

Adjourn

The next Task Force meeting will be held on March 18 in Wausau.