STATE OF WISCONSIN

GOVERNOR'S TASK FORCE ON
REDUCING PRESCRIPTION DRUG PRICES

Meeting Minutes
August 25, 2020
10 a.m. – 2 p.m.
Webinar via Zoom

Welcome
Nathan Houdek, OCI Deputy Commissioner and Task Force chair

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

Consumer Experience
Annette Huston, a registered nurse in Stevens Point, Wisconsin, was diagnosed in 1995 with multiple sclerosis (MS). It is a progressive disease that has no cure but can be slowed with medication.

- Ms. Huston stated that she has "great insurance" through her spouse. She pays about $500 out-of-pocket for medications that are specific to different symptoms. She takes two specific MS medications to slow the progress of the disease. These two prescriptions cost over $100,000 a year, of which she pays around $700 to $800 per year out-of-pocket with insurance.
- The MS medications that she takes to slow the progression of this disease are not on the Medicare formulary and in a couple of years she fears she will have to stop those medications because the costs are so burdensome as to make them inaccessible.

Policy Discussion: Overview
Deputy Commissioner Nathan Houdek – Chair

- Deputy Commissioner Houdek facilitated the discussion of the policy recommendations and options. A presentation is available on the Task Force website: https://rxdrugtaskforce.wi.gov/Documents/08252020RXTFMtg.pdf
- The provisions in AB114/SB100 will be included in the report. The structure of the Task Force Report to the Governor will be divided into three tiers.
- Tier 1 - Recommendations that have strong support from the majority of members.
- Tier 2 - Policy options that have been discussed but which have some concern or opposition from members.
- Tier 3 - Newer topics that have not had extensive discussions.
  - The final report will include additional explanations for each recommendation as well as rational and policies in other states. The report will not include specific legislative language or operationalizing of the recommendations. The report will include all comment letters in the final report which will be helpful for the governor and his staff.

Policy Discussion: Tier 1 – Majority Support

- AB114/SB100 – should move forward in the next legislative session and will be included as recommendations in the final report.

- Access the policy discussion power point document for a full list of Tier 1 recommendations: https://rxdrugtaskforce.wi.gov/Documents/08252020RXTFMtg.pdf
  Discussion:
  - A physician member of the task force stated that it would be ideal to know total costs to the system as well as patient out-of-pocket costs to make a more informed decision.
  - Another member stressed that it needs to be integrated into electronic health records for it to be used effectively.
- Establish a copay cap for insulin
  Discussion:
  - A member mentioned that the insulin should be limited to the preferred based on the formulary, not for all medications labeled insulin.
  - What is the copay cap? Will it be set at $100? Chairperson stated that the cap would be set by legislators to make a final decision.
  - Why choosing insulin when there might be other diseases/prescriptions that are more burdensome? The numbers of people using insulin and the fact that many insurers already have a cap make this option more viable.
  - Does this ultimately increase premium costs? In Colorado, after a year with an insulin copay cap, they didn't find an increase in premiums. The task force continues to balance reducing overall costs at a macro level with providing relief at a micro (individual) level, which are often in opposition to one another.
- Additional transparency and reporting requirements
  Discussion:
  - Because the system is currently opaque, additional information could lead to further cost-saving avenues in the future.
  - A member stressed that additional reporting requirement could put undue stress on parts of the pharmacy supply chain that are already understaffed.
  - What are the meaningful reporting items? A member raised the Wisconsin Hospital Association example which requires cost reporting on makes pricing information publicly available on the price-point and check-point websites.
- Additional oversight and regulation of PSAOs
- DATCP and DOJ – additional staff to focus on the pharmaceutical industry anti-trust cases
- Enhance support for free and charitable clinics (FCCs)
  - Additional state funding
  - Centralized repository to increase coordination and efficiency. Looking at a model in Iowa.
  - Allow for donated medications from other states to be received by Wisconsin FCC pharmacies
  - Allowing volunteering in free and charitable clinics to count toward continuing education credits for pharmacists
- Ensure that critical access hospitals and Ryan White Clinics participating in 340B drug discount programs can reinvest savings from drug purchases into patient care and support activities.

Discussion:
- There is considerable concern about how 340B programs impact discounts on commercial plans.
- What can we do to make sure that the entities are using this program as it was intended?
- The program has expanded in recent years and how can the program be limited and refocused so that it targets what it was intended to do? Many organizations that use 340B program attest to its rigid reporting and eligibility requirements. Others say that it is not being used as intended in many cases.

Policy Discussion: Tier 2 – Other Policy Options for Consideration

- Require that manufacturer prescription drug discount coupon payments be applied to deductibles and annual maximum out-of-pocket costs (when no generic is available).
  Discussion:
  - Concern from members that coupons ultimately drive up costs
- Create a prescription drug affordability/accountability review board to establish prescription drug spending targets for public sector entities
  Discussion:
  - Argue that this policy grows out of the need for transparency and ensuring that pricing decisions made by manufacturers are reasonable
  - Hope that the board will work toward lowest net cost
  - Drug affordability boards that simply cap drug costs could cause unintended consequences (i.e. if a state and manufacturer couldn't agree, would it preclude that medication being used in that state?)
- Allow importation of prescription medication from Canada or other approved countries
  Discussion:
  - Member would like to clarify that importation is not "up and running" in other states; do not have federal approval
- Focus administration of specialty drugs in lower-cost settings
  Discussion:
  - Part of total cost of care and being administered in a home setting can hopefully lower costs
  - Many task force members expressed wanting to ensure drugs are administered in safe settings
  - Further consideration between insurers and providers
- Additional reporting and oversight of the federal 340B drug discount program
- Develop best practice guidelines for PBM business practices
  - Create guidelines and resources related to rebate passthrough
- Enhance public awareness of pharmaceutical manufacturer patient assistance programs
  Discussion:
  - What can we do to make people aware of patient assistant programs: https://medicineassistancetool.org/ There is a website that PhRma has established.

From OCI perspective, promote private sector programs worth looking at and considering.

Policy Discussion: Tier 3 – Recent additions/other issues

- Licensure and regulation of pharmaceutical sales representatives
  Discussion:
  - Currently, this is under federal oversight – representatives cannot say anything that's not approved by FDA
  - Argue that this would place personal responsibility at the ground level similar to realtors, attorneys, etc.
  - Model law that has come out and will likely be a discussion in the future
- Additional disclosure for physicians and other health care providers that accept gifts or honoraria from pharmaceutical companies
  - Exists at the federal level.
- Additional regulatory oversight (licensure or regulation) of PBM brokers and consultants
- Require PBMs to act as a fiduciary on behalf of their plan sponsors
- Permanent expansion of pharmacist responsibilities for free & charitable clinics consistent with the expansion allowed during the COVID pandemic.
- Allow the state Department of Justice (DOJ) to have direct Civil Investigative Demand authority without seeking court authority each time – antitrust cases
- Create a dedicated health care fraud division within DOJ
  Discussion:
  - Having pharmaceutical experts at DOJ would be very helpful
- Additional restrictions on improper prescription drug marketing and advertising practice
- Create an insulin safety net program (similar to Minnesota)
- Create a value-based pilot project for diabetes medications

Closing Remarks

- Deputy Commissioner Houdek thanked the Task Force members for their time commitment and active engagement over the past few months.
- He also stated that this will be the last scheduled Task Force meeting for calendar year 2020, but the Task Force may convene again in 2021 to discuss issues raised during the biennial state budget process, the legislative session, or relating to a COVID-19 vaccine.

Adjourn