

Green Mountain Care Board
Prescription Drug Technical Advisory Group
January 11, 2021 Meeting Minutes

Attendance (Group Members and GMCB)

Jill Abrams, Assistant Attorney General & Director, Consumer Protection Division, Vermont
Office of the Attorney General
Nate Awrich, Director, Pharmacy Supply Chain, UVMHN
Debbi Barber, R. Ph, VP of Managed Care Contracting & Payor Relations, Kinney Drugs
Emily Brown, Director of Rates and Forms, DFR
Jordan Estey, Leader, Government Affairs, MVP Health Care
Devon Green, Vice President of Government Relations, VAHHS
Jeff Hochberg, Director, Smilin Steve Pharmacy Group & President of Vermont Retail Druggists
Nancy Hogue, Pharm. D., Director of Pharmacy Services, DVHA
Jim Hopsicker, Sr. Leader, Health and Pharmacracy Management, MVP Health Care
Georgia Maheras, VP of Policy and Strategy, Bi-State Primary Care Association
Brian Murphy, Director of Pharmacy & Vendor Management, MVP Health Care
Sara Teachout, Corporate Director, Government and Media Relations, BCBSVT
Robin Lunge, Board Member, GMCB
Kevin Mullin, Chair, GMCB
Susan Barrett, Executive Director, GMCB
Christina McLaughlin, Health Policy Analyst, GMCB
Abigail Connolly, Executive Assistant, GMCB

Others Present

Kaili Kuiper, HCA
Jennifer Kaulius, UVMHN
Bridget Morris, Morris Government Affairs
Charles Storrow, Leonine Public Affairs
Dylan Zwicky, Leonine Public Affairs
Emma Shouldice, William Shouldice & Associates
Lisa Hurteau, DVHA
Laura Pelosi, MMR
Rebecca Copans, BCBSVT
Theo Studdert-Kennedy, Otis & Kennedy

BCBSVT Cost Containment Initiatives – Brian Murphy, Director of Pharmacy & Vendor Management

Starting on slide 2, Brian Murphy outlined BCBSVT's pharmacy trends with the company's total Vermont business on the left. He walked through the line items that are outlined in red starting with Plan Net Cost PMPM, which is what the cost to BCBSVT ends up being for each member per month for the first 6 months of 2020. Brian noted the 8.7% change from 2019 to 2020 and pointed out there was a 15.8% change over the same time for Specialty Plan Cost Net PMPM, which represents a large piece of the overall dollars. The \$52.37, which is 65% of the total amount (\$80.07) is captured in just specialty drugs. Brian explained the Member Cost Net % line is essentially member cost share. Slide 3 breaks down the BCBSVT's total Vermont business by commercial plans and Qualified Health Plans (health care reform section). For the Exchange population, there is a much higher trend in the specialty drug area. Board Member Robin Lunge asked if they have sense of how much of that is utilization versus how much is price for the Exchange population. Brian referred to the pharmacy trend drivers slide and said he did not have the information for that population.

Brian talked about how specialty drugs can have a big impact on employers and talked about the types of utilization management programs, including prior authorization, step therapy, and quantity limit. He also discussed formulary management, which steers members to lower cost drugs. BCBSVT conducts an RFP with PBMs at the end of each 3-year contract to get largest discounts and rebate guarantees. Lastly, Brian talked about the BCBS Association partnering with Civica on manufacturing generic drugs at a lower cost to save money, which will reach the market early 2022. To view Brian Murphy's presentation, please click [here](#).

MVP Health Care Cost Containment Initiatives – Jim Hopsicker, Senior Leader, Health and Pharmacy Management, MVP Health Care

Jim Hopsicker talked about MVP's pharmacy management philosophy and approach and discussed the managed care tools and strategies to control prescription drug costs, including formulary management, benefit design, maximize, generics, medication adherence programs, real-time benefit and prescribing, and pharmacy and medical integration. Jim shared a pie chart of the percent of total pharmacy costs paid by patients and plans in 2019. Patient share of costs increased slightly from 15% in 2018 to 15.1% in 2019. Slide 6 shows that member out-of-pocket is decreasing as percentage of total pharmacy spend and Jim reminded the group Vermont does have a limit on out-of-pockets costs.

Jim discussed high-cost medications and noted value-based and outcome-based contracting is being discussed more on the manufacturer side. Rare diseases are also a big pharmacy cost, and many have no approved therapy. Jim also noted that the average wholesale price inflation has moderated but it remains more than two times the U.S. inflation rate. Jim will follow-up on how much MVP's drug spend is specialty spend. To view Jim Hopsicker's presentation, please click [here](#).

Attorney General's Office Price Transparency Reporting – Jill Abrams, Assistant Attorney General & Director, Consumer Protection Division, VT Office of the Attorney General

Jill Abrams discussed 18 V.S.A. § 4635, Vermont's Prescription Drug Cost Transparency language that took effect in 2016. The statute requires annual reporting by DVHA and insurers with more than 5,000 covered lives to identify prescription drugs for which the cost has increased by 50% or more over the past 5 years or by 15% or more over the previous calendar year. DVHA must select 10 drugs based on increased WAC and another 10 drugs based on increased net cost. The DVHA and insurer lists must include at least one generic and one brand name drug and identify the drugs it considers to be specialty drugs.

The AG's Office provides a report to the Legislature based on the information received from DVHA, the insurers, and information collected from manufacturers. Jill noted that from DVHA's observations, there was a 64% decline in the number of drugs reaching the 15% per year threshold, and a 78% decline in the total number of drugs reaching the 50% per 5-year threshold. Prices also rose on fewer drugs, but at a higher rate. The insurance companies' data shows that one-year generic net price increases were 252% for BCBSVT and 114.1% for MVP, but the net cost increase in dollars was smaller than the brand drugs. Over the past few years, manufacturers have cited several factors that impact their pricing decisions, which includes value of innovative medicines, cost effectiveness, and size of the patient population for the drug. The AGO's 2020 report shows that specialty drugs tend to be more expensive and generic drugs are generally less costly than brand name drugs, so the same year-over-year increase in percentage will not translate to a comparable dollar increase. To view Jill Abrams' presentation, please click [here](#).

Public Comment

There was no public comment.