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Correspondence Memorandum

Date: January 13, 2020

To: Group Insurance Board

From: Eileen Mallow, Director

Office of Strategic Health Policy

Subject: Pharmacy Study Committees Update

This memo is for informational purposes only. No Board action is necessary.

As has been previously reported to the Board, ETF staff are participating in several interagency committees researching ways to better manage pharmacy costs for state government. A brief summary of recent activities for each committee follows:

<u>Pharmacy Study Workgroup</u> – this committee is primarily focused on researching issues identified by the Pharmacy Study Committee and recommending action to the Committee. The Workgroup is currently working with an existing vendor to determine if the vendor could assist with calculating a unit cost across various state agencies. A draft scope of work will be discussed at the next Workgroup meeting scheduled for January 23.

<u>Pharmacy Study Committee</u> – The work of this committee is supported by the ETF National Governors Association (NGA) grant. NGA continues active participation with ETF to generate and research opportunities for savings across multiple state agencies. At its December 2019 meeting, the Committee heard a report from University of Wisconsin Hospital and Clinics (UWHC) on its participation in the 340B program. The Committee also heard about and agreed to move forward on a program that would allow the Department of Corrections to "piggy back" on a Department of Health Services program to acquire STD testing kits at a much-reduced price.

Working with NGA financial assistance, the Committee is looking to operationalize the study described above that would allow for calculation of unit prices across state agencies. The Committee is scheduled to next meet on Friday, February 7.

Reviewed and approved by Robert J. Conlin, Secretary

Electronically Signed 1/15/20

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<u>Governor's Task Force on Pharmacy Costs</u> is set to meet next on January 22 to hear Pharmacy Benefit Managers' descriptions of their business models and the pros and cons of various models. Brian Stamm, OSHP Deputy Director, is ETF's representative on the Task Force.

Staff will be available at the Board meeting to answer any questions.