

DRAFT

MINUTES

August 27, 2019

Wisconsin Pharmacy Cost Committee

State of Wisconsin



Location:

Hill Farms State Office Building – CR N106
4822 Madison Yards Way, Madison, WI 53705

COMMITTEE MEMBERS PRESENT:

Jeff Bogardus	Eileen Mallow
Daryl Daane	Noah Roberts
Nathan Houdek	Renee Walk
Daniel Kattenbraker	

OTHERS PRESENT

Department of Administration

Derek Sherwin

Department of Employee Trust Funds

Rachel Carabell, Lisa Gurley,
Tricia Sieg, Brian Stamm

Department of Health Services

Kelsey Brundage

Hubbard Wilson & Zelenkova, LLC

Greg Hubbard

Office of the Commissioner of Insurance

Jennifer Stegall

National Governors Association

Kirk Williamson, Sandra Wilkniss

Pharmacy Society of Wisconsin

Danielle Womack

Wisconsin Association of Health Plans

Nancy Wenzel

Wisconsin Coalition of Annuitants

Peg Smelser

Ms. Mallow called the meeting of the Wisconsin Pharmacy Cost Committee (Committee) to order at 1:00 p.m.

WELCOME/ATTENDANCE

Ms. Mallow provided an overview of the meeting agenda. She highlighted the National Governors Association (NGA) awarded a technical assistance grant to the Department of Employee Trust Funds (ETF) to continue the work that was started by the Pharmacy Cost Study Work Group. Ms. Mallow stated that Ms. Wilkniss will give a presentation on NGA's expectations for this Committee later in the meeting.

The meeting attendees and Committee members went around the room and introduced themselves and the department that they represent:

- Eileen Mallow, ETF-Office of Strategic Health Policy (OSHP)
- Brian Stamm, ETF-OSHP

Committee	Mtg Date	Item #
WPCSC	9.26.19	2

- Tricia Sieg, ETF-OSHP
- Jeff Bogardus, ETF-OSHP
- Derek Sherwin, Department of Administration-State Budget Office
- Nathan Houdek, Office of the Commissioner of Insurance (OCI)
- Noah Roberts, Governor's Office
- Daryl Daane, Department of Corrections (DOC)
- Renee Walk, ETF-OSHP
- Daniel Kattenbraker, Department of Health Services (DHS)-Division of Care and Treatment Services (DCTS)
- Danielle Womack, Pharmacy Society of Wisconsin
- Kelsey Brundage, DHS (on phone)
- Kirk Williamson, National Governors Association (on phone)
- Sandra Wilkniss, National Governors Association (on phone)
- Rachel Carabell, ETF-OSHP
- Jennifer Stegall, OCI

Ms. Mallow also stated Lisa Gurley works with ETF in the Office of the Secretary and will be assisting with minutes for the meetings.

INTRODUCTION OF WORK GROUP STAFF

Ms. Mallow described the difference between the Pharmacy Cost Study Work Group (Work Group) and the Pharmacy Cost Study Committee (Committee). She stated the Work Group began in 2017 with the primary focus being on research, data analytics and option or concept development. The Work Group members included Renee Walk, Brian Stamm, Tricia Sieg, Rachel Carabell, Jeff Bogardus, Kelsey Brundage, Paul Bekx, Paul Noreuil and Derek Sherwin.

Ms. Mallow stated the Committee was formed with the NGA application and will focus on the direction of research for the Work Group as well as final recommendations to advance the Pharmacy Cost Study project.

Mr. Houdek discussed Executive Order #39 relating to creating a task force on reducing prescription drug prices. He explained the Governor's Task Force is charged with:

- Gathering and analyzing data on development, pricing, distribution, and purchasing of prescription drugs;
- Analyzing other states' strategies in reducing prescription drug prices;
- Identifying opportunities to work with other states and the federal government; and
- Making recommendations for reducing prescription drug prices in Wisconsin.

CURRENT STATE OF AGENCY PHARMACY PURCHASING IN WISCONSIN

Ms. Sieg provided an overview of the agencies that have been working in the Work Group, which include DOC, ETF, DHS and the Department of Veterans' Affairs. She

also provided an overview of each department's duties as they relate to pharmacy benefits.

Mr. Daane stated DOC's budget for pharmacy costs were \$30 million in 2018.

Ms. Mallow stated ETF's spend on pharmacy costs are \$350 million per year.

Ms. Brundage added DHS's expenditure for pharmacy in 2018 was \$1.2 billion and \$1.4 billion in 2019. She stated DHS processes 1 million drug claims per month.

Mr. Kattenbraker stated DCTS's expenditure on pharmacy last fiscal year was over \$7 million.

NGA TECHNICAL ASSISTANCE OPPORTUNITY

Ms. Wilkniss provided an overview of the technical assistance opportunity from NGA. She stated Wisconsin is one of six states that were awarded technical assistance grants.

Ms. Wilkniss also provided an overview of NGA, stating that it was founded in 1908 and it serves all governors from a non-partisan stance. She described NGA's mission stating they assist governors in identifying priority issues and deal with matters of public policy and governance at the state, national and global levels. Ms. Wilkniss added that NGA's research helps in developing and implementing innovative solutions to public policy challenges. NGA also provides consultative services, including management and technical assistance to new and incumbent governors, their senior executive staff and advisors.

Ms. Wilkniss stated this technical assistance opportunity is funded by outside funders to assist the Committee in any capacity they made need to do this research. She added, additional funds are available to the Committee if there is a need to bring in other individuals, with examples given to include human resources, full time employees or researchers. Ms. Wilkniss also explained NGA can connect the Committee with other states and individuals with the same common goal in mind to discuss tried and true methods and research.

Mr. Williamson stated that NGA is available to the Committee for assistance through June 2020 to answer questions or help support them in any capacity as they continue to research pharmacy costs and potential solutions or opportunities.

OPTIONS REVIEWED BY WORK GROUP

Ms. Walk provided an overview of work that the Work Group has completed. She stated the ETF has started to draft a whitepaper to capture options addressed by the Work Group. Ms. Walk discussed options that are on hold based on research which include:

- Mail order vendor RFP;
- Orphan drug direct-to-manufacturer purchasing;
- Specialty drugs site of care;
- Subscription for drug purchasing; and
- Expanding ETF's pharmacy benefit manager (PBM) contract to use a statewide PBM.

Ms. Sieg provided an overview of legislative options that were considered which included:

- Price transparency;
- Drug importation from Canada; and
- Creating a new drug purchasing entity.

Ms. Walk reviewed the options considered the most feasible by the Work Group and which agencies would be impacted:

- Specialty pooled purchasing pilot impacts ETF and DOC;
- Value-based purchasing impacts DHS, DOC and ETF;
- Leverage 340B pricing for incarcerated population which would impact DHS and DOC.

MEETING CONTENT AND DIRECTION, FREQUENCY, ROLES

Ms. Mallow opened the floor to the Committee members, asking for feedback on frequency of meetings and any agenda items that they would like to see on the agenda for the next meeting.

Mr. Houdek requested additional information regarding the most feasible options presented to the Committee. He also suggested monthly meetings while NGA is available to assist the Committee.

Mr. Daane requested the Committee prioritize leveraging the 340B pricing for the incarcerated population. He stated there are successful models that could be mimicked in parallel while working on the specialty pooled purchasing pilot and value-based purchasing options.

Mr. Houdek requested the Committee take a closer look at the value-based purchasing option. He specifically would like additional information regarding limits on data sharing options that the Work Group has researched.

Ms. Mallow discussed a PBM payment models presentation that had been presented to the Group Insurance Board at its November 2018 meeting ([Ref. GIB | 11.18.18 | 10](#)). She offered to email the presentation to the Committee members to allow for review and feedback on the items they would like more information on pertaining to the payment models.

Ms. Wilkniss offered to write-up examples of what models' other states are using for value-based and outcome-based purchasing studies. She offered to arrange a phone call with Oklahoma to discuss their models if the Committee is interested. The Committee has asked to see the write-up prior to setting up a conversation with Oklahoma to allow the group to formulate questions to guide the conversation.

Mr. Stamm asked Ms. Wilkniss the following questions:

- Are there ideas that we have not discussed regarding cost savings that other states are?
- Where does Wisconsin rank in the United States in comparison to other states for pharmacy costs?
- What is the best system doing that we are not, so that we may be able to utilize their methodology?

Ms. Wilkniss stated she will gather information regarding Mr. Stamm's questions and report the findings back to the Committee.

ADJOURNMENT

The meeting adjourned at 2:04 p.m.

Date Approved: _____

Signed: _____

Renee Walk, Facilitator
Wisconsin Pharmacy Cost Study Committee