

# Agenda Items 5 & 6: Pharmacy Data

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# Data Available

- In 2018, the Pharmacy Cost Study Committee members shared drug expenditures and utilization for:
  - Top 50 drugs by total spending
  - Drugs to treat hepatitis C
  - Epi-Pens® (used to treat anaphylaxis)
  - Narcan (used to treat opioid overdoses)
- In the end, the Committee found that it was unable to provide an effective comparison of drug prices across the agencies because of a variety of challenges with the data.

# Top Drugs Comparison

- Among the Top 50 drugs reported by each agency:
  - ETF's top drugs included many specialty drugs used to treat *diabetes, multiple sclerosis, rheumatoid arthritis, and cancer.*
  - Corrections and DHS populations had more significant use of drugs to treat *mental health conditions, HIV and hepatitis C.*
  - Veterans Home at King's top drugs included drugs to treat *rheumatoid arthritis, multiple sclerosis, fibromyalgia and diabetes.* It also had high utilization of drugs to treat *dementia, seizures, and other conditions common for the elderly and those in long-term care facilities.*

# Comparison of Common Top Drugs

(\$ in thousands)

Generic Name	Brand Names	Treatment	ETF		Corrections		Medicaid	
			Net Payment	% of Total	Total Paid	% of Total	Total Paid	% of Total
Adalimumab	Humira	Autoimmune diseases	\$26,054.5	8.72%	\$3,885.6	12.03%	\$47,712.5	3.65%
Etanercept	Enbrel, Benepali	Autoimmune diseases	\$11,547.1	3.86%	\$733.4	2.27%	\$14,677.5	1.12%
Insulin Glargine, Recombinant	Basaglar, Lantus, Toujeo	Diabetes	\$8,739.4	2.92%	\$722.1	2.24%	\$33,865.1	2.59%
Glatiramer Acetate	Copaxone, Glatopa	Multiple sclerosis	\$4,816.1	1.61%	\$220.8	0.68%	\$10,447.3	0.80%
Lisdexamfetamine Dimesylate	Vyvanse	ADHD and binge-eating disorder	\$2,975.5	1.00%	\$101.3	0.31%	\$45,463.2	3.48%
Pregabalin	Lyrica	Fibromyalgia	\$2,764.6	0.93%	\$810.4	2.51%	\$29,452.7	2.25%
Albuterol Sulfate	Ventolin HFA, Proventil HFA	Asthma	\$1,821.3	0.61%	\$733.5	2.27%	\$23,034.6	1.76%

Reported costs do not include rebates received from pharmaceutical manufacturers or annual shareback payments.

ETF and Corrections data is FY2018, Medicaid data is CY2017.

ETF and Medicaid data does not include drugs provide in a doctors office or hospital setting.

Drug purchases from Veterans Affairs is not included since its pricing is based on a confidential federal supply schedule.

# Data Limitations & Challenges

- Unit cost comparisons are not comparable
  - Agencies use different purchasing models (retail purchases vs. bulk purchasing)
  - Drug cost comparisons need to be done at the NDC level because drugs can have multiple dispensing forms, strengths, etc.
- Rebates and Other Pricing Information is not available
  - Confidentiality requirements under federal law (Medicaid and DVA) and ETF's agreement with Navitus limit what can be shared
  - Rebates vary significantly from drug to drug and purchaser to purchaser making averages or aggregate information not useful
- Reporting timeframes need to be close to the same for all State agencies
- Medical benefit drug costs are generally not available because they are typically bundled under a general revenue code

# Data Sharing Limitations

- A Confidentiality Agreement between ETF and Navitus limits the information that can be shared
- Cannot make information publicly available if it jeopardizes Navitus' trade secrets or gives competing Pharmacy Benefit Managers an unfair advantage of knowing Navitus' business
- Keeping with ETF's promise of transparency, some information can be shared, but must be shared with confidentiality restrictions

# Confidentiality Restriction - Examples

- Drug manufacturer pricing arrangements
  - Negotiated cost
  - Rebates
  - Fees passed through for other arrangements
- Pharmacy pricing arrangements
  - Discounts
  - Dispensing fees
  - Fees passed through for other arrangements
- Actual plan paid and member paid amounts at the drug category/class level and individual drug level
- Pricing guarantees Navitus provides to the Board via contract

# Data Needs

- To determine comparable costs:
  - Drug expenditures and units at the NDC level to determine comparable unit costs
  - Rebates collected at the drug level
  - Data for a consistent timeframe, e.g. FY2019
  - One entity that can receive this information and determine unit costs



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**Questions?**

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# Thank you

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