

DRAFT

MINUTES

October 31, 2019

Wisconsin Pharmacy Cost Study Committee

State of Wisconsin



Location:

Hill Farms State Office Building – CR N133
4822 Madison Yards Way, Madison, WI 53705

COMMITTEE MEMBERS PRESENT:

Pam Appleby (Teleconference)
Jeff Bogardus
Daryl Daane
Nathan Houdek

Daniel Kattenbraker
Eileen Mallow
Noah Roberts (Teleconference)
Renee Walk

OTHERS PRESENT

Department of Administration

Derek Sherwin

Department of Employee Trust Funds

Rachel Carabell, Tricia Sieg

Department of Health Services

Kelsey Brundage (Teleconference)

Office of the Commissioner of Insurance

Jennifer Stegall

National Governors Association

(Teleconference)

Jane Horvath, Kate Johnson,
Kirk Williamson, Sandra Wilkniss

Hubbard Wilson & Zelenkova

Ramie Zelenkova

Ms. Mallow called the meeting of the Wisconsin Pharmacy Cost Study Committee (Committee) to order at 2:03 p.m.

WELCOME/ATTENDANCE

Ms. Mallow thanked everyone for making the meeting especially with the current weather conditions.

APPROVAL OF MINUTES OF THE September 26, 2019 MEETING

MOTION: Mr. Bogardus motioned to approve the open session minutes of the August 27, 2019, meeting as submitted by the Committee Liaison. Mr. Daane seconded the motion, which passed unanimously on a voice vote.

Committee	Mtg Date	Item #
WPCSC	12.19.19	2

NGA REVIEW OF 340B OPTIONS

Ms. Horvath provided an overview of the NGA's memo on state's approaches to leverage the 340B Drug Discount Program. Ms. Horvath highlight the portion of the memo that spoke about Hybrid Model between Virginia Department of Corrections and Virginia Commonwealth University Health System. This partnership has a specific arrangement regarding the purchasing of 340B drugs for HIV and Hepatitis C. If the Committee was interested in a program like that of Virginia a relationship between the University and Corrections would need to be established.

Ms. Horvath went on highlight the arrangement between the Florida's Department of Health and Department of Corrections where county health department physicians treat inmates through the state's STD program and medications are dispensed through the health department's central pharmacy. This allows the state to utilize 340B pricing for inmates because the Department of Health qualifies as a 340B covered entity having received grant funding for its STD program.

Ms. Horvath shared that other states such as North Dakota, Rhode Island, Utah and Iowa have established their Department of Corrections as a subgrantee of the Department of Health enabling the Department of Corrections to become a 340B covered entity for STD drugs and dispense drugs directly to inmates. Some county and city jails have also formed a sub-grantee relationship with state and/or local Departments of Health.

Ms. Horvath brought up that the committee had talked specifically about Iowa's Department of Corrections and 340B during its September meeting. NGA spoke to the Iowa Department of Corrections (IDOC) about their 340B program and STD testing. IDOC has a long-standing relationship with the Iowa Department of Health (IDH). IDH is already testing males taken into prison system and has expanded to women's intake as well. IDOC has nine prisons, two pharmacies. The pharmacies have a separate account with the pharmacy wholesaler for 340B account. Each inmate fills out a sexual history questionnaire upon intake.

Mr. Daane stated he spoke to a contact in IDOC and wanted the committee to know that Wisconsin Department of Corrections (WDOC) does work with Public Health. WDOC may not get test kits in a similar fashion as they do in Iowa. Mr. Daane stated that he would need to speak to a member of the WDOC's Infectious Disease Committee about whether tests are purchased directly from public health or if they are obtained from a different source.

Ms. Mallow asked if Department of Health Service facilities would be able to piggy back off any direct purchasing of STD test kits WDOC might be able to do through Public Health?

Dr. Kattenbraker stated that Sandridge would not be able to but Mendota and Winnebago would be able to because they are hospitals.

Ms. Mallow asked if the Department of Health Services (DHS) had any questions.

Ms. Brundage asked what kind of assistance could DHS provide? What kind of leverage would DHS offer? DHS doesn't have the pre-existing relationships that could be offered.

Ms. Mallow asked about what process would we need to follow?

Ms. Appleby stated that DHS is working to make connections with their partners in Public Health.

Mr. Daane stated that the key is establishing in-kind relationship with Public Health. They are already doing something with WDOC.

Mr. Houdek asked if WDOC knew how much they could expand?

Mr. Daane stated that to expand through Public Health it's pretty clear the expansion would be through Chapter 318 and STD testing with Hepatitis C. WDOC would have to apply and be a sub-grantee through public health.

Mr. Bogardus mentioned there really isn't anything that Employee Trust Funds (ETF) can do with this. ETF doesn't know how many members could be treated as 340B patients.

Mr. Stamm stated that even though ETF members have ETF's insurance ETF still wouldn't know who was receiving 340B pricing.

Ms. Mallow asked if there were providers paying 340B prices and ETF doesn't know about it?

Ms. Walk stated that scenario was probably happening.

Mr. Bogardus asked if that situation would turn up during an audit.

Mr. Stamm stated that no that information would not be found during an audit because of confidential pricing.

Mr. Bogardus stated that pharmacies that are 340B entities could still be identified.

Ms. Horvath mentioned that she could not answer that. The Health Resources and Service Administration (HRSA) has a flag but no one uses it.

Ms. Brundage stated that hospitals are supposed to identify if they are giving 340B drugs to Medicaid members.

Ms. Horvath stated that Ms. Brundage right 340B Medicaid patients are supposed to be identified and if they are not then those entities are out of compliance. It's clear with oncology for example there are hospital clinics that are separate from hospitals. If any patients are going through these clinics, they are getting billed full price.

Mr. Daane asked that if WDOC established an entity through chapter 318 is it possible that the agency could expand?

Ms. Horvath stated that she would need to think about if that was a possibility or not.

Ms. Johnson stated that NGA had looked into this and there was some federal guidance in patient definition, and it didn't seem like the scope could be much broader.

Mr. Daane suggested that there could be whole new relationship created or a change to patient care could happen.

Mr. Bogardus asked is there is someone who audits 340B? Is there an entity we could ship all of those claims to?

Ms. Horvath answered HRSA isn't going to examine claims. It would be up to Medicaid to examine claims.

Ms. Walk mentioned that provisions could be entered into a pharmacy contract regarding 340B claims and allowing audits.

Ms. Mallow mentioned that the same language could be written into health care contracts too.

Ms. Walk suggestion that language was already in health care contract to allow for this.

Ms. Brundage stated that she would like to highlight a few things in the Wisconsin Medicaid Experience with 340B paper. Medicaid can identify how many 340B claims they are getting on the pharmacy side. These entities aren't active in Medicaid program. Medicaid runs claims against HRSA file if claim is received from someone who is on HRSA file and if it isn't a 340B the claim is denied.

Mr. Daane stated that he needed to look at WDOC's scope of working relationship is with Public Health to see if there is an avenue for WDOC to apply as a subgrantee.

Ms. Johnson stated that WDOC could establish a relationship if it doesn't exist.

Mr. Daane stated that WDOC could maybe partner with IDOC

Ms. Stegall asked if the work group would work with Iowa or would WDOC do that?

Mr. Daane stated that WDOC would establish that connection

Mr. Bogardus stated that from the hospital side of this how do we go about getting something from University of Wisconsin (UW) Hospital?

Mr. Daane stated that UW Hospital sought a legal opinion it wasn't in their interest to partner with WDOC as it would jeopardize their 340B program.

Mr. Daane stated that the working relationship hasn't changed since 2016. Should we keep working with UW Hospital on another avenue?

Ms. Walk Work group will work on 318 and UW Hospital avenues.

Mr. Houdek asked that more research be done looking into what Medicaid had done in Colorado.

VALUE-BASED PURCHASING PAPER & DISCUSSION

Ms. Johnson highlighted the NGA's paper regarding value-based purchasing highlighting both the Louisiana and Washington models involving Medicaid and Corrections.

Mr. Daane asked if a subscription-based model offered better pricing than 340B?

Ms. Johnson stated that the pricing depends on how the arrangement is structured.

Ms. Walk asked if Louisiana or Washington gave any sense on how they established a volume threshold?

Ms. Johnson stated that each state has unrestricted access. Medicaid payments structured for 99 or 100 percent rebate after they hit a certain threshold. Agreed to pay up to X amount then 99 or 100% rebate.

Ms. Mallow stated that some categories of drugs lend themselves to this model better than others.

Mr. Stamm stated that states sign up for certain length of time for the drugs to be provided. Are there timelines that are built into subscription models?

Mr. Daane volunteered that Louisiana is five years.

Ms. Appleby stated that she would be interested in hearing more about issues with certain drugs. Any state Medicaid's taken them on? How is it structured?

Ms. Johnson stated that many details are not public. Oklahoma does have an agreement.

Ms. Appleby asked is there was a prior authorization requirement? Does the contract allow for unfiltered access?

Ms. Johnson stated it does allow for conducting comprehensive newborn screenings.

Ms. Wilkniss added that one other state has said yes and we are trying to find our more information about that contract.

Ms. Brundage stated that Michigan has negotiated some.

Ms. Walk asked the group if they thought value-based purchasing was an avenue worth pursuing?

Mr. Houdek asked if maybe the committee should wait and see how things go with Oklahoma's program before proceeding.

Mr. Bogardus stated that Navitus is still looking into value-based purchasing but is not having a lot of luck or success.

Ms. Walk asked if NGA had come across any commercial arrangements?

Ms. Johnson stated that it might be worth researching to find out more information on private plans even though there are still challenges in the commercial space.

Ms. Mallow stated that this might be a parking lot item not actively pursuing but still there.

PHARMACY DATA UPDATE

Ms. Carabell discussed that the work group had all submitted data from as far back as 2017. What Ms. Carabell is asking for is up to date data to re-establish the list of top 50 drugs across the three agencies. This will hopefully lead to more detailed data and rebate information not on a per drug basis but an average rebate on a class of drugs. Ms. Carabell stated that she had sent an email to WDOC and Medicaid asking for their up to date data in about 30 days.

Mr. Daane stated that ETF, Medicaid and WDOC all have to speak the same language. The unit needs to be identified.

Ms. Carabell mentioned that the ETF had asked Medicaid and WDOC for the lowest common denominator in their data. Another ask is that everyone use their generic names for drugs. That will help combine information across agencies.

Ms. Mallow asked if 30 days was too short of a time for agencies to get this information?

Mr. Daane stated he had already the information.

Ms. Carabell mentioned that before coming to the meeting she had sent a request for more information including generic names.

Ms. Mallow stated that the committee would stick to the 30-day timeline unless heard otherwise.

Ms. Walk stated that the working group would come back with 340B items and table value based. Will work on something about specialty drugs and have something for the committee next time.

Mr. Daane stated that WDOC has been unsuccessful in leveraging anything for specialty drugs because there is no competition. There is no common formulary. If there was a national formulary WDOC would have a lot more clout.

Mr. Mallow mentioned that Navitus will try to leverage their whole book to get a good deal.

Mr. Daane responded that he didn't think MCAP gets into that level of detail.

ADJOURNMENT

The meeting adjourned at 3:29 p.m.

Date Approved: _____

Signed: _____

Renee Walk, Facilitator
Wisconsin Pharmacy Cost Study Committee