

DRAFT

MINUTES

May 28, 2020

Wisconsin Pharmacy Cost Study Committee

State of Wisconsin



Location: Virtual Meeting

COMMITTEE MEMBERS PRESENT:

Daryl Daane

Nathan Houdek

Daniel Kattenbraker

Eileen Mallow

Renee Walk

OTHERS PRESENT

Department of Employee Trust Funds

John Freidheim, Bruce Johnson, Tricia Sieg,
Brian Stamm

Department of Health Services

Kelsey Brundage

Office of the Commissioner of Insurance

Jennifer Stegall

National Governors Association

Jane Horvath

Hubbard Wilson & Zelenkova

Ramie Zelenkova

State Assembly

Rep. Schraa, Kitt Beyer, Tripp Lavelly

National Cooperative Rx

Deb Thomsen

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

WELCOME/ATTENDANCE

Ms. Mallow provided an overview of virtual meeting logistics.

APPROVAL OF MINUTES OF THE February 27, 2020 MEETING

MOTION: Ms. Mallow motioned to approve the open session minutes of the February 27, 2020, meeting as submitted by the Committee Liaison. Mr. Houdek seconded the motion, which passed unanimously on a voice vote.

Analytics Proposal Status

Ms. Walk stated the workgroup determined that Medicaid privacy rules limited analytic capability in a way that could not be overcome by third parties. The Department of Employee Trust Funds (ETF) will analyze remaining data and offer recommendations regarding purchasing of pharmaceutical drugs at an upcoming meeting.

Pooled/Complementary Purchasing Options

Ms. Walk provided an overview of a Common Drugs Analysis conducted by ETF utilizing data from January 1, 2019 through June 30, 2019, provided by the Department of Corrections, Wisconsin Medicaid and ETF. She stated analysis showed there are three drugs in which the three agencies may be able to find cost savings: adalimumab, Humira (insulin) and albuterol sulfate. Ms. Walk stated the Committee could consider doing an RFP for Humira specific pooled purchasing arrangements or create an add-on to the existing ETF pharmacy contract for DOC and Medicaid.

Ms. Walk discussed options for the Committee to consider regarding insulin and Albuterol Sulfate:

- Combined purchasing could provide similar benefits, through competition in class, however the Medicaid formulary may limit negotiation leverage.
- DOC and ETF could align their formularies with Medicaid's preferred drug list to indirectly leverage volume.
- Propose a public health purchasing agreement to the Governor Pharmacy Task Force.

Ms. Walk stated DOC could see a \$1.8 million savings on Humira if they are able to reduce the drug's price to ETF's cost; ETF could see a \$1.4 million savings on insulin if they are able to reduce the drugs price to the DOC's cost; and the DOC could obtain \$84,000 in savings on albuterol if they purchase the drug at ETF's cost.

Ms. Walk provided an overview of risks that the options could create:

- Some discounts offered on drugs are tied to the use of other drugs;
- Removing the drugs from contracts might risk other current discounts;
- Savings identified is minimal and the cost to administer the proposed changes may make the savings obsolete; and
- DOC savings estimates could be overstated given the data does not include changes from 340B pricing.

Ms. Walk proposed the Committee take time to weigh the options presented and provide feedback on which options the Committee is interested in pursuing. She also stated a final list of recommendations will be presented to the Committee in June so action can be taken at its June 25 meeting.

The Committee posed the following questions and suggestions:

- Would recommendations or options need to be re-evaluated annually and is the risk worth it?
- What would the process look like for aligning formularies?
- Can ETF take advantage of additional savings by using leverage points with Navitus?
- Can ETF approach their current vendors to see if we are able to leverage the purchasing agreements currently in place?

- Is the Committee abandoning the idea of pool purchasing if we approach vendors to leverage current purchasing agreements?

Ms. Mallow stated ETF may not be the right place for a multi-agency pooled purchasing agreement and suggests the Committee figure out where the appropriate place would be to set up such an agreement if the Committee is interested in this option.

Ms. Walk suggested a recommendation be made to the Northwest Consortium to oversee a pool purchasing agreement for all the agencies since the Committee does not know enough about the pooled purchasing options available to Wisconsin; given the lack of resources, the Committee is unable to do the work but the groundwork has been laid.

Ms. Walk stated the final draft of the paper with all recommendations will be distributed to Committee members prior to the June 25 meeting to allow time for review prior to the official vote at the June 25 meeting. She stated the approved paper will be sent to the Governor's Pharmacy Task Force (Task Force).

Reports

Mr. Houdek informed the Committee that the Task Force did not meet in March or April but did meet in May and will meet again in June. He stated the Task Force has added two meetings in July to make up for the meetings that were canceled in March and April. The Task Force plans to submit their final report to the Governor for review in time for the next biennial budget.

Mr. Daane stated that the Memorandum of Understanding (MOU) between DOC and the Public Health is in its final draft; a 340B Compliance Policy draft has been submitted to DOC's Policy and Procedure Committee. He stated DOC had planned to apply during the April enrollment period but with the Covid-19 pandemic, the date was pushed back to July. Mr. Daane stated as soon as documents are finalized, he will share them with the Committee.

ADJOURNMENT

The meeting adjourned at 2:56 p.m.

Date Approved: _____

Signed: _____

Renee Walk, Facilitator
Wisconsin Pharmacy Cost Study Committee