GTMRx Institute™

Get the medications right

www.gtmr.org

Helping Employers Avoid Waste in Pharmacy Benefits Spend: The Role of Comprehensive Medication Management

October 30, 2020 | 1 p.m. Eastern

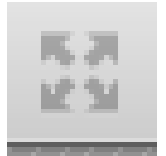*GTMRx Learning Network Webinar*

Agenda

- Welcome and Introductions
- Learning Objectives
- Presenter
    - ❖ Cheryl Larson
        President and CEO
        Midwest Business Group on Health
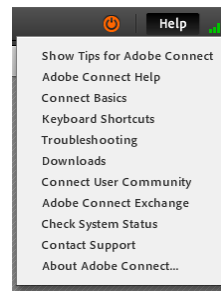- Question and Answer Session

Audience Notes

There is no call-in number for today's event.

If you would like to switch to full screen, click this icon:

The troubleshooting guide to the right of your screen.

Submit questions at any time

How to submit a question

To submit a question, please use the "Q&A" pod below the slides to ask questions throughout the presentation.

Just type in your question at any time and then click the button to submit.

Please feel free to submit questions as they come to mind during the presentation—there is no need to wait until the end.

The questions will be asked by the moderator, at the conclusion of the presentation.

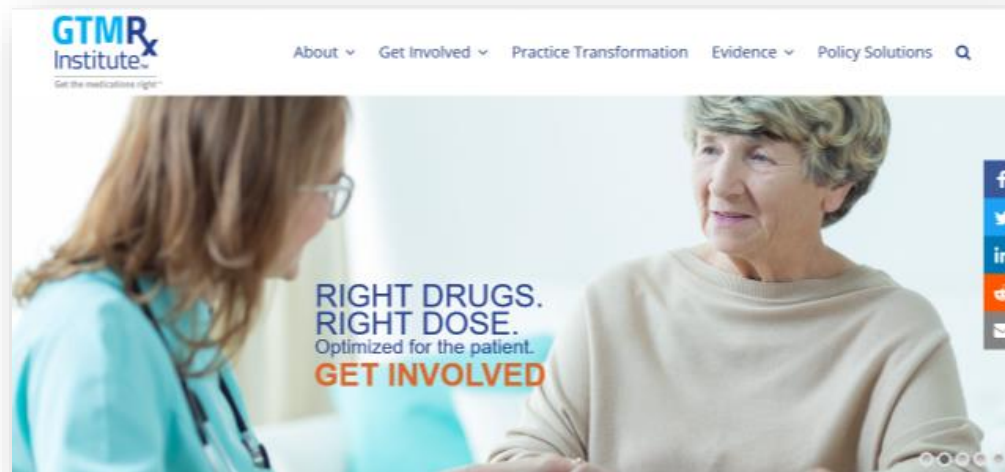We will answer as many questions as time permits.

Audience Notes

The slides from today will be available after the webinar.

A recording of today's session will be posted within one week to our website, www.gtmr.org

The Get the Medications Right (GTMRx) Institute

Vision
Enhance life by ensuring appropriate and personalized use of medication and gene therapies.

Mission
Bring critical stakeholders together, bound by the urgent need to optimize outcomes and reduce costs by getting the medications right.

Focus Areas
- Practice and Care System Transformation
- Payment & Policy Solutions
- Precision Medicine via Advanced Diagnostics
- Health IT to Support Optimized Medication Use

Multi-Stakeholder Coalition

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Tips for employers on reforming and optimizing medication use

When reviewing your cost drivers, focus on the "poly problems"- those individuals that have *many* chronic conditions, take *many* medications and see *many* physicians.

Talk to vendors about strategies used in provider networks to track and manage medication therapy problems; **particularly for those most at risk.**

Vendors should be able to explain how they evaluate, measure, track, report and resolve medication therapy problems such as wrong dose or wrong drug being taken; **consider those most at risk.**

Ask brokers /consultants to identify carriers that select, monitor and evaluate network providers offering comprehensive medication management services — *not just adherence programs* — and encourage them to rewards providers for safe, effective and *appropriate use* of medications and gene therapies.

Network with partners that share a complete commitment to optimizing medication use. Work though your local business coalition to partner with primary care and specialist societies in support of team-based, person-centered care.

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Learning Objectives

Some of the topics we will cover include:

- Identify top employer health plan priorities for 2020

- Offer insight into employer opinions concerning the current system of medication use

- Understand the CMM process and how it can provide value to employers in accomplishment of their health plan priorities

- Discuss the strategies progressive employers are using to optimize medication use

- Identify ways in which CMM can contribute to the accomplishment of employer health plan strategies

Our Presenter

Cheryl Larson

President and Chief Executive Officer,
Midwest Business Group on Health

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Helping Employers Avoid Waste in Pharmacy Benefits Spend: The Role of Comprehensive Medication Management

October 30, 2020

Midwest Business Group on Health
The source for leading health benefits professionals

About MBGH

Since 1980 – One of the nation's leading and largest non-profit coalitions of HR/health benefits professionals

4M Lives – Represent 135 mid, large & jumbo self-insured public & private companies

$12B – Annual employer member spend on health care costs

Community of Your Peers – A sharing and friendly environment to help you collaborate, benchmark and learn

Using Our Collective Voice – Serving as catalysts for change to improve the cost, quality and safety of your health benefits

National Alliance of Healthcare Purchaser Coalitions
2020 Pulse of the Purchaser Employer Survey

40 years
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The Source for Leading Health Benefits Professionals

Threats to Affordability of Employer-provided Health Coverage (Overall)

	Significant threat	Minor threat	No threat or positive impact
Drug Prices	90%	10%	
Lack of transparency	73%	25%	2%
Hospital prices	71%	28%	1%
Surprise medical bills	58%	39%	3%
Overuse of low-value services (waste)	53%	41%	6%
Industry consolidation	44%	46%	10%
Intermediary conflicts of interest	37%	54%	9%

Payment and Delivery Reform Strategies

Strategy	Currently doing	Considering in the next 24 months	Not considering in the next 24 months
Reducing waste and inappropriate care	61%	28%	12%
Steerage within networks	47%	29%	25%
Regional centers of excellence/episodes of care	40%	39%	20%
Hospital pricing transparency	40%	43%	18%
Hospital quality transparency	40%	44%	16%
National centers of excellence/episodes of care	36%	36%	28%
Advanced primary care	20%	36%	44%
Reference-based pricing	16%	28%	56%

6/10 believe they have a strategy for reducing waste and inappropriate care

Leading strategies moving forward include:
- *Focus on hospital pricing (43%) and quality transparency (44%)*
- *Centers of excellence/episodes of care (average 38%)*
- *Advanced primary care (36%)*

40 years

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Drug Strategy Considerations

	Currently doing	Considering in the next 24 months	Not considering in the next 24 months	Need more information
Medication therapy management	49%	18%	11%	22%
Pharmacy benefit drug transparency/pass through pricing	24%	31%	19%	26%
Pharmaceutical drug transparency/pass through pricing	21%	33%	19%	27%
Biosimilars promotion	19%	27%	23%	31%
Medical benefit drug transparency/pass through pricing	16%	33%	22%	29%
Drug reference-based pricing	15%	24%	33%	28%

The most prevalent strategy is medication therapy management with almost half currently doing

Being considered in the next two years:
- *Medical benefit drug transparency/pass through pricing (33%)*
- *Pharmaceutical drug transparency/pass through pricing (33%)*
- *Pharmacy benefit drug transparency/pass through pricing (31%)*
- *Biosimilars promotion (27%)*
- *Drug reference-based pricing (24%)*

Considerable amount of employers need more information to consider these strategies
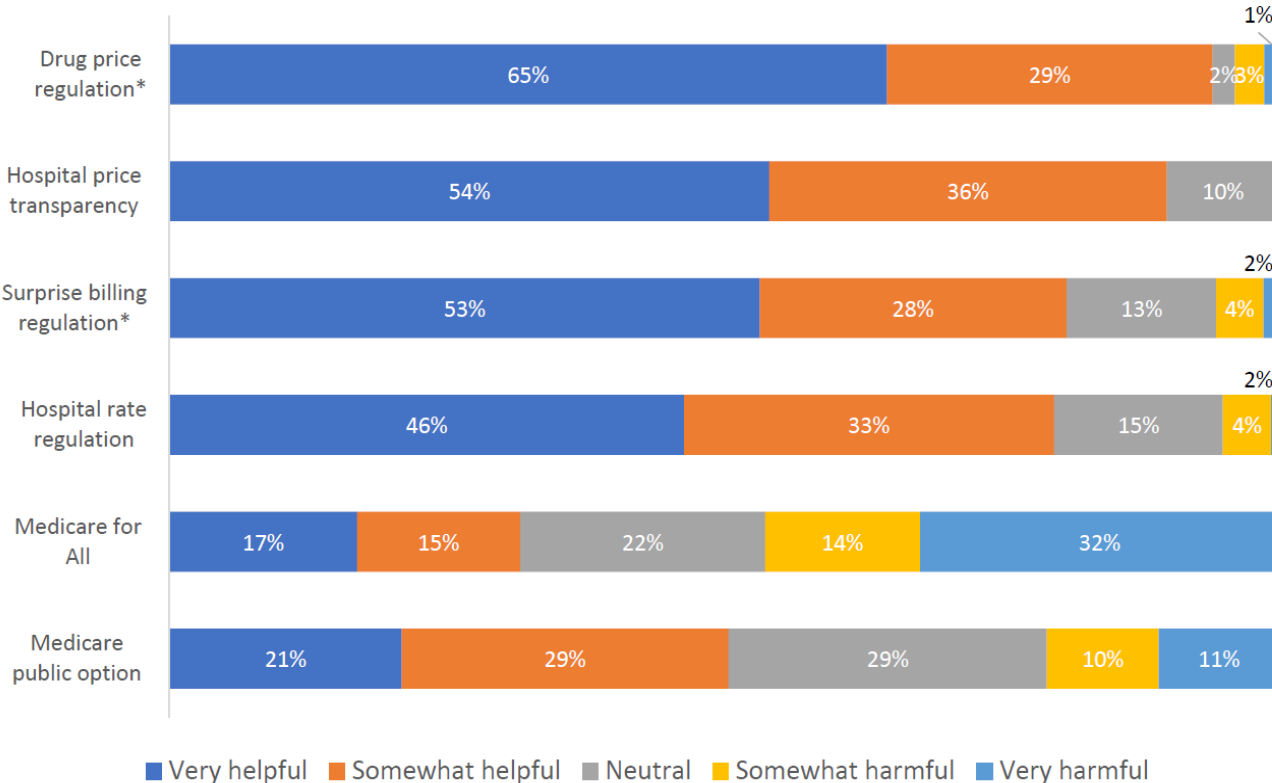
Employers Want to Pay for Innovation, Not Waste

- *We need transparency about the real costs and suppliers to remove all waste*

- *We are the real payers – not carriers or PBMs – we must start leveraging the power we have*

- *We need to stop spending money on low value medications and those that don't work for individuals; this will preserve resources to pay for high value meds*

- *We want medication safety, efficacy and clinical appropriateness to be the drivers of decision-making, not rebates or habitual prescribing practices*

- *Don't accept the status quo*

- *There is a lack of willingness to change and employers need transformation and disruption – do it through pharmacy benefits; if one PBM or medical insurance carrier doesn't want to play, there are others waiting*

- *Employers must drive innovation, or it will be driven for us*

Why Being Fiduciary Matters to Employers

As plan fiduciary it is the plan sponsor's (employer) duty to know how employee premiums are being used to fund care

According to DOL …..Employers must:

- Act solely in the interest of plan participants and their beneficiaries with the exclusive purpose of providing benefits to them

- Carry out duties prudently, follow plan documents, hold plan assets in trust &

- Pay only reasonable plan expenses

The System We Work Within Now & Where We Want to Go!

DRUG VALUE SUPPLY CHAIN
A circuitous route from drug manufacturer to patient
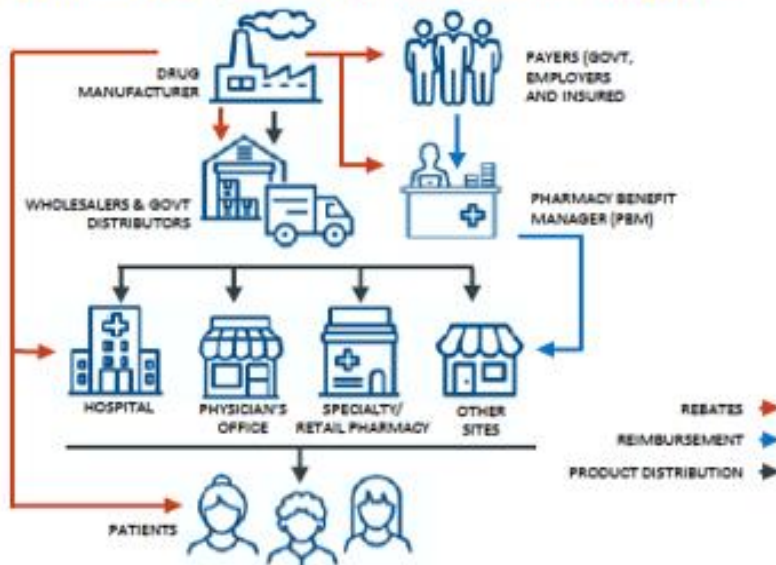
Data adapted from Janssen Global Services, LLC,
2018 Janssen U.S. Transparency Report (Janssen, March 2019), 21.

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Key Rx Purchaser Policy Principles

- **Full transparency** – Understand direct and indirect costs and cost offsets of each drug

- **No conflicts of interest** – Intermediaries should act in the best interest of the benefit plan's limited assets

- **Pricing equity** – Need better world-wide pricing equity for all US Purchasers - not just Medicare

- **Defined value** – Consider individualized appropriateness, real world outcomes and relative costs against other treatment options

- **Competitive market dynamics** – As patent protections expire, policy must better enforce and support a competitive market

Employer & Stakeholder Interests Must be Aligned!

Change will occur when **employers use their collective voice** to:

- Serve as catalysts for change in the way care is delivered and paid for

- Break down barriers preventing people from receiving high quality, cost-effective care

- Demand evidenced-based care, price transparency and accountability of providers, plans, PBMs and suppliers

- Eliminate waste, unnecessary and inappropriate care

Comprehensive Medication Management

A systematic approach to medications where physicians and pharmacists ensure that medications – whether they are prescription, nonprescription, alternative, traditional, vitamins, or nutritional supplements – are individually assessed to determine that each medication is appropriate for the patient, and:

- Effective for the medical condition
- Safe, given the comorbidities and other medications being taken
- Able to be taken by the patient as intended

** McInnis, Terry, et al., editors. The Patient-Centered Medical Home: Integrating Comprehensive Medication Management to Optimize Patient Outcomes. 2nd ed., Patient-Centered Primary Care Collaborative, The Patient-Centered Medical Home: Integrating Comprehensive Medication Management to Optimize Patient Outcomes. PCPCC Medication Management Task Force collaborative document.

10 Steps to CMM

#1
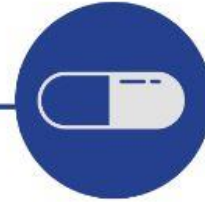Identify patients that have not achieved clinical goals of therapy.

#2
Understand the patient's personal medication experience, history, preferences, & beliefs.

#3
Identify actual use patterns of all medications including OTCs, bioactive supplements & prescribed medications.

#4
Assess each medication for appropriateness, effectiveness, safety (including drug interactions) & adherence, focusing on achievement of the clinical goals for each therapy.

#5
Identify all drug-therapy problems.

#6
Develop a care plan addressing recommended steps including therapeutic changes needed to achieve optimal outcomes.
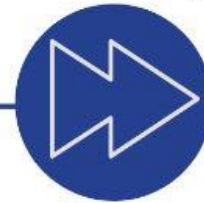
#7
Ensure patient agrees with & understands care plan which is communicated to the prescriber or provider for content & support.

#8
Document all steps & current clinical status vs. goals of therapy.

#9
Follow-up evaluations are critical to determine effects of changes, reassess actual outcomes & recommend further therapeutic changes to achieve desired clinical goals & outcomes.

#10
CMM is a reiterative process! Care is coordinated with other team members & personalized goals of therapy are understood by all team members.

McInnis, Terry, et al., editors. *The Patient-Centered Medical Home: Integrating Comprehensive Medication Management to Optimize Patient Outcomes.* 2nd ed., Patient-Centered Primary Care Collaborative, PCPCC Medication Management Task Force collaborative document.

Patients Who Benefit Most from CMM

Characteristics of patients who benefit most include:

- One or more chronic conditions treated by multiple providers /multiple meds
- High ER/urgent care/hospital utilization
- One or more complex medications requiring specialized administration and frequent outcomes assessments
- In transition between specialists and primary care providers visits, ER/Urgent Care visits, or discharge from a hospital/long-term care facility
- Risk for sub-optimal clinical outcomes due to medication therapy problems such as errors in self-administration, doses too high or low, adverse drug reactions, etc.
- New medications requiring personalized education and on-going assessment of outcomes (inhalers, self-injectables, narrow therapeutic index, etc.)
- Absence of or erratic maintenance of intended therapy goals
- Problems understanding and following their medication regimen

Value of CMM to Employers

➢ Avoiding….

- Loss of lives or quality of life due to adverse medication events or medication therapy problems

- Wasted time and benefits dollars spent on medications and medical care that will not produce desired clinical outcomes

- Duplication of services – multiple medications prescribed by multiple providers

- Absence of services that should be an essential part of care – *use of pharmacogenomic testing to identify the right medication, the first time*

➢ Decreased misuse, overuse and underuse of medications to increase quality of care, reduce costs and ensure a healthy and productive workforce

The Value of CMM to Employers

➢ Availability of a benefit design that assures safe, effective, efficient, affordable, and appropriate use of medications with the goal of:

- Aligning incentives to achieve employee and employer value within pharmacy benefits

- Appropriate prescribing and use of gene therapies

- Effective prevention or identification and management of medication therapy problems

- Integration of companion and complimentary diagnostics to target correct therapies

➢ Achievement of long-term, sustainable savings in management of high-price drugs

What Progressive Employers are Doing

- Some employers are already driving change, being disruptive and offering alternatives to the traditional PBM model

- Employer coalitions are supporting these changes and helping to represent the voice of employers

- Collaborations that reduce unnecessary costs, drive efficiencies and improve patient outcomes is essential to the future of health care

Caterpillar – *Serves as own Prescription Coordinator*
Focus on Supply Chain Management

- Frustrated by the ongoing waste in supply chain and misaligned incentives (waste = money spent that does not contribute to plan participants' health)

- Applied same waste principles to drug costs as other company expenditures promoting sustainability of health benefits

- Direct contracted with 2 major retailers bypassing normal PBM pricing process
  - Ensured non-exclusivity
  - Covered majority of members; added local pharmacies to capture others

- Developed new pricing methodology to eliminate use of AWP (flawed and produces more waste)

- Ensured profitability by pharmacy partners
  - Real invoice price + overhead + margin for each drug

- Established audit rights to ensure pricing methodology properly applied which keeps critical information confidential/enables validation of contract price

Caterpillar – *Serves as own Prescription Coordinator*
Focus on Supply Chain Management

- Today, Caterpillar uses their own internal physicians and pharmacists and has their own drug formulary based on clinical efficacy, not rebates

- Narrow formulary is based on value-based drugs; using mostly generics with specialty drugs heavily managed through a Specialty Pharmacy; low and no value drugs are out

- Still negotiating directly with retail pharmacies and narrow pharmacy network is based on outcomes

Over the last 15 years, Caterpillar has saved tens of millions of dollars and decreased costs for patients

Teachers Retirement System of KY Health Benefits

MEHP Medicare Eligible Health Plan	• Medicare-eligible or 65 & over • Exclusively TRS members • One Plan
KEHP Kentucky Employees' Health Plan	• Under 65 and not Medicare-eligible • Same fund as active teachers and state employees • Coverage options

Precision Medicine

TEACHERS'
Retirement System

TRS

KENTUCKY

TRS Solution:
Personalized Medicine
Partnership

CORIELL
LIFE SCIENCES

Power In Knowing™

You
Your Doctor
Your Pharmacist

KNOW YOUR Rx™
COALITION
A GOVERNMENTAL PURCHASING COLLABORATIVE

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Precision Medicine
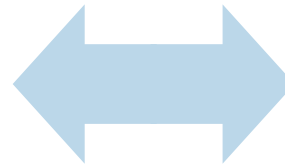
Early Results

7,300 retirees have undergone PGx testing as of Sept. 2020 - resulting in 28% rate of recommended medication changes

In first 16 months …

14%   *Reduction* in charged amount for participants vs.

3.2%   *Increase* in spending for nonparticipating control group

Source: Coriell Life Sciences

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Other Metrics of Success

✓ 87% of medication change recommendations accepted by prescribers

Resulting in:

✓ 22% reduction in hospitalizations

✓ 27% reduction in slip and falls

VBID Health Top 5 Low-Value Services
Branded Drugs When Identical Generics Are Available

5. Use of more expensive branded drugs when generics with identical active ingredients are available

WHAT
Branded medications should not be prescribed when less expensive, chemically identical generics are available. (This is distinct from therapeutic substitution, when non-equivalent medications are substituted for one another.)

WHY
Prescribing of more expensive, chemically identical medications buys no extra health per dollar.

BURDEN
Purchasers would have saved $14.7 billion in 2016 had 100% of prescriptions with generics available been dispensed as generics

Use of Biosimilars

- **Rand Corporation** – Use of biosimilars in the US could lead to reduction of $54 billion in direct spending on biologics between now and 2026

- **CenterforBiosimilar.com** – Pricing competition between biologics and biosimilars may lower prices overall or force out competition

- **Willis Towers Watson's 24th Best Practices Employer Survey**

  - 30% of employers have appropriate formulary strategies to leverage available biosimilars

  - 39% plan to take a more active approach in the next two years

Example of Biosimilar Savings

❑ Prescriber requested Neulasta

❑ Prescriber changed request to Ziextenzo

Estimated Savings: $13,778

- Cost of 6 cycles of Neulasta = $37,237

- Cost of 6 cycles of Ziextenzo = $23,459

Neulasta and Its Biosimilars
Pricing: US (AWP per 6mg/0.6mL)

Reference Product
Neulasta : $7,477.27

Biosimilars:
Fulphila: $5,010.00
Udenyca: $5,010.00
Ziextenzo: $4,710.64

Biosimilars & CMM

- Use CMM to encourage collaboration between physician, patient and clinical pharmacist to **determine appropriateness of using a biosimilar**

- Require that prior authorization (PA) includes CMM for specialty biologics and biosimilars to **assure collaborative, informed decision-making**

- Avoid conflicts of interest associated with specialty drug PA reviews which are often defined by the manufacturer and PBM – and driven by rebates

  - **Utilize a third-party PA service with independently developed criteria and CMM process**

- Require use of a biosimilar when appropriate for new therapy

Employer Steps to Innovate the Transformation of Medication Use through CMM

- Include the patient as a collaborative member of their care team

- Improve clinical outcomes by adding the expertise of clinical pharmacists to the decision–making process

- Use advanced technologies to enable precision medicine (pharmacogenomics)

- Save lives and money by avoiding or quickly resolving risks for adverse medication events

- De-prescribe potentially harmful, unnecessary and costly medications

- Help physicians free-up more time for patient care

- Achieve fiduciary requirements and sustain employer provided pharmacy benefits by eliminating unnecessary spend

- **Get the medications right, the first time**

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Thank You!

Cheryl Larson, President & CEO

Midwest Business Group on Health

www.mbgh.org – clarson@mbgh.org

Employer Resources

- Employer Toolkit on Biologics & Specialty Drugs
- Precision Medicine in Pharmacy Design: Pharmacogenomics & Pharmacogenetics
- Transforming Pharmacy Benefits: The Role of Biosimilars
- Drawing a Line in the Sand: Employers Must Rethink Pharmacy Benefit Strategies

Question and Answer Session

Cheryl Larson

President and Chief Executive Officer,
Midwest Business Group on Health

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Discover More About Our Work
Learn about the future of CMM, engage with experts and provide useful feedback

We need your input! GTMRx is hosting four calls for member feedback, presented by our workgroup leadership and showcasing the work from 130+ experts. The event will also highlight new tools which are currently being developed by GTMRx that you can use to support medication management.

Find more information and register at https://bit.ly/37C3VO6

HOW WE USE DIAGNOSTICS
November 12
1:00-1:30 pm EST
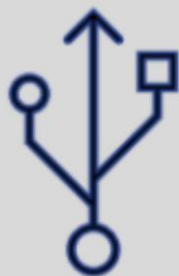
HOW WE INTEGRATE TECHNOLOGY
November 13
1:00-1:30 pm EST

HOW WE PAY
November 17
1:00-1:30 pm EST

HOW WE PRACTICE
November 19
1:00-2:00 pm EST

Thank you!

- Please fill out the survey after today's session
- Slides will be available today and the recording of today's webinar will be available in one week at www.gtmr.org
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