

Drug Price Transparency Stakeholder Webinar for Pharmacy Benefit Managers and Pharmacy Services Administrative Organizations

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April 29, 2020

Welcome & Logistics

- ▶ Welcome & Introductions
 - ▶ Team introductions
- ▶ Logistics
 - ▶ Webinar Instructions
 - ▶ This webinar is AUDIO RECORDED
- ▶ Agenda Review

Agenda

- ▶ Drug Price Transparency Program Overview
- ▶ Health Care Authority's (HCA) Rulemaking Schedule
- ▶ Listening Session – We want to hear from you!
- ▶ Contact Information – Sign up for Rulemaking Notices!

Drug Price Transparency Program Overview

- ▶ Chapter 43.71C RCW directs the Health Care Authority to implement a drug cost transparency program through reporting from:
 - ▶ Health Carriers;
 - ▶ Pharmacy Benefit Managers;
 - ▶ Drug Manufacturers; and
 - ▶ Pharmacy Service Administrative Organizations.

Legislative Findings

Washington State has a public interest in:

- The price and cost of prescription drugs;
- Providing notice and disclosure of information relating to cost and pricing ... to provide accountability to state for prescription drug pricing;
- Rising drug cost and consumer ability to access...; and
- Containing prescription drug costs.

Definitions of PBM and PSAO

- ▶ “Pharmacy benefit manager” means the same as in RCW 19.340.010.
- ▶ “Pharmacy services administrative organization” means an entity that contracts with a pharmacy to act as the pharmacy's agent with respect to matters involving a pharmacy benefit manager, third-party payor, or other entities, including negotiating, executing, or administering contracts with the pharmacy benefit manager, third-party payor, or other entities and provides administrative services to pharmacies.

Prescription Drug

A drug regulated under chapter 69.41 or 69.50 RCW, including generic, brand name, specialty drugs, and biological products.

PBM Data Reporting

Requires submissions by PBM's to the HCA by March 1st each year:

1. All discounts, including the total dollar amount and percentage discount, and all rebates received from a manufacturer for each drug on the pharmacy benefit manager's formularies;
2. The total dollar amount of all discounts and rebates that are retained by the pharmacy benefit manager for each drug on the pharmacy benefit manager's formularies;
3. Actual total reimbursement amounts for each drug the pharmacy benefit manager pays retail pharmacies after all direct and indirect administrative and other fees that have been retrospectively charged to the pharmacies are applied;
4. The negotiated price health plans pay the pharmacy benefit manager for each drug on the pharmacy benefit manager's formularies;

PBM Data Reporting: continued

5. The amount, terms, and conditions relating to copayments, reimbursement options, and other payments or fees associated with a prescription drug benefit plan;
6. Disclosure of any ownership interest the pharmacy benefit manager has in a pharmacy or health plan with which it conducts business; and
7. The results of any appeal filed pursuant to RCW 19.340.100(3).
8. Section 4 also gives HCA the authority to audit PBM financial records for the purposes of ensuring the information submitted under this section is accurate. All of the information in this section is not open to public disclosure.

PSAO Data Reporting

On a yearly basis, PSAO's must report to the HCA from the previous calendar year:

1. The negotiated reimbursement rate of the top 25 prescription drugs with the highest reimbursement rate;
2. Top 25 drugs with largest year-over-year change in reimbursement expressed as a percentage and dollar amount. The schedule of fees charged to pharmacies for the services provided by the PSAO.

HCA Reporting Requirements

- ▶ Must compile & analyze data.
- ▶ Prepare annual report for the public and the legislature synthesizing the data to demonstrate the overall impact that drug costs rebates, and other discounts have on health care premiums.
- ▶ Make a recommendation on how to provide advance notice of price increases to purchasers in WA.

HCA Enforcement

- ▶ HCA may assess a fine up to \$1000 per day for failure to comply with the requirements in law. Goes into the Medicaid Fraud Penalty Account (RCW 74.09.215);
- ▶ HCA is creating a process in compliance with Chapter 34.05 RCW; and
- ▶ HCA is developing evaluation, enforcement, and collections processes with rulemaking.

Key Components of Implementation

Communication

Rulemaking

Stakeholdering

Compliance

Data

- Collection/Submission
- Storage
- Governance
- Analysis
- Data definitions & requirements

Pharmacy Cost
Transparency Report

HCA Rulemaking Schedule

- ▶ Filed CR 101: published in state register #20-03
- ▶ Stakeholder Meetings: February – April, 2020
- ▶ External Review – Anticipated Release: June 8, 2020
- ▶ Tentative CR102 Filing: July 22, 2020
- ▶ Tentative Public Hearing: August 25, 2020
- ▶ Tentative Rule Effective Date: October 16, 2020

Tentative Program Schedule

- ▶ Finalize list of contacts within organizations
- ▶ Send welcome letter and process description
- ▶ Send definitions for comment and review
- ▶ Send submission guide and instructions
- ▶ Work on collecting data and trouble shooting collection process
- ▶ Implement process for those who do not submit
- ▶ Work on analysis and reporting

Listening Session Questions:

- ▶ What are you looking for in a fair enforcement process?
- ▶ Is there a state doing this well we should model?
- ▶ What do you need from HCA to successfully provide the required information and data?
- ▶ What should HCA consider while developing its infrastructure?
- ▶ How should HCA provide advance notice of price increases to purchasers?

Listening Session Questions:

- ▶ Is there a NCPDP standard rebate transaction file that you recommend we use to identify rebate transactions?
- ▶ Are direct and indirect remuneration (DIR) payments or recoupments linked back to a particular claim?
- ▶ If you had to implement this program, how would you define “top 25 drugs”?

Top 25 Drugs

- ▶ HCA wants PBMs/PSAOs to identify the Top 25 drugs by cost and utilization by ingredient name, and submit utilization data for all products (by NDC) that have that ingredient name.
- ▶ Examples of slightly different ingredient names to be rolled up to equal **1** drug:
 - ▶ Fluoxetine hydrochloride
 - ▶ Fluoxetine hcl
 - ▶ Fluoxetine HCL
- ▶ HCA would then ask for all NDCs for fluoxetine hydrochloride products.

Sign-Up For Rulemaking Notices

****Reminder:** You must be signed up for [GovDelivery](#) to receive future rulemaking notifications, including the scheduled public hearing, for this rulemaking or any other HCA rulemaking. To sign up, go to [HCA's Rulemaking page](#): <https://www.hca.wa.gov/about-hca/rulemaking>

Select “*Sign up for rulemaking notices*” then select the subscription topics you are interested in.

For More Information

- ▶ **Visit:** <https://www.hca.wa.gov/billers-providers-partners/prescription-drug-cost-transparency-update>
- ▶ **Email us:** drugtransparency@hca.wa.gov
- ▶ **Resources:**
 - ▶ Chapter 43.71C RCW
 - ▶ HB 1224