

# Drug Price Transparency Stakeholder Webinar for Issuers & Carriers

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# Welcome & Logistics

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

# Agenda

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- ▶ 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

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- ▶ 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

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## **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 issuers and carriers

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- ▶ “Health carrier” or “carrier” means a disability insurer regulated under chapter [48.20](#) or [48.21](#) RCW, a health care service contractor as defined in RCW [48.44.010](#), or a health maintenance organization as defined in RCW [48.46.020](#), and includes “issuers” as that term is used in the patient protection and affordable care act (P.L. 111-148).
- ▶ “Health plan” or “health benefit plan” means any policy, contract, or agreement offered by a health carrier to provide, arrange, reimburse, or pay for health care services except the following: see RCW 48.43.005 #(27).
- ▶ We encourage health plans regulated under Federal rules (Taft Hartley, ERISA) to submit voluntarily.

# Prescription Drug

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

# Carrier/Issuer Reporting – Data Reporting

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**Requires health carriers to annually submit cost and utilization data from the previous calendar year, for each health plan it offers, on:**

1. The top 25 drugs most frequently prescribed by providers in their network;
2. The top 25 costliest drugs as a percentage of total plan prescription drug spending and the plan's total spending for each of these drugs;
3. The top 25 drugs with the highest year-over-year increase;



# Carrier/Issuer Reporting – Data Reporting continued

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3. The portion of the premium that is attributable to each category of drugs (brand, generic, and specialty);
4. The year-over-year increase in the total annual cost of each category as a percentage and calculation of PMPM;
5. A comparison of the year-over-year increases in the cost of covered drugs as a calculation of PMPM compared to the year-over-year increases in cost of other contributions to premiums;

# Carrier/Issuer Reporting – Data Reporting continued

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6. The name of each specialty drug by NDC; and
7. The top 25 drugs in which the issuer received rebates from manufacturers.

# HCA Reporting Requirements

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- ▶ 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

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- ▶ 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

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Communication

Rulemaking

Stakeholdering

Compliance

Data

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

Pharmacy Cost  
Transparency Report

# HCA Rulemaking Schedule

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- ▶ 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

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- ▶ 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:

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- ▶ 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 continued:

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- ▶ If you had to implement this program:
  - ▶ How would you define “top 25 drugs”?
  - ▶ Would you include physician administered drugs in the data submission requirements?
  - ▶ How would you break out and report overall health care costs (e.g. Hospital Inpatient, Hospital Outpatient, Emergency Department, Professional and other, pharmacy, etc)?
- ▶ What concerns do you have providing HCA with these data fields:
  - ▶ Member months
  - ▶ Days supply
  - ▶ Units dispensed
  - ▶ Rebates invoiced and collected

# Top 25 Drugs

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- ▶ HCA wants carriers 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

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**\*\*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

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- ▶ **Visit:** <https://www.hca.wa.gov/billers-providers-partners/prescription-drug-cost-transparency-update>
- ▶ **Email us:** [drugtransparency@hca.wa.gov](mailto:drugtransparency@hca.wa.gov)
- ▶ **Resources:**
  - ▶ Chapter 43.71C RCW
  - ▶ HB 1224
  - ▶ SSB 6088