

Health Plans

- Require submission of actual National Drug Codes (NDCs), in addition to Healthcare Common Procedure Codes (HCPCs), units, quantity and day's supply by all providers, in all settings; use NDCs for prior authorization, utilization management, payment, collection of rebates, claim-level reporting, data analysis, provider contracts, and patient outcomes.
- Contract with providers to assure cost parity of all sites of care for the same drugs and services.
- Align total cost of care (TCOC) and accountable care organization (ACO) provider contracts so practitioners select and/or administer high-value drugs.
- Involve employers in key decisions* that affect their overall health care costs.

Specialty drug costs affect Minnesota city, county, state budgets, global competitiveness, and overall vitality of the state and U.S. economy.



* Additions to the specialty drug list, pre-FDA approval pipeline management, dramatic drug price increases (for under-the-radar drugs), excluded drugs, UM/PA criteria, formulary designation, etc.

From 2012-2020, spending on specialty drugs is expected to increase 361%.

Source: PwC Health Research Institute: Behind the Numbers 2015 and analysis of CVS Caremark Data.

Provider Organizations

- Include actual NDCs (in addition to HCPCs), units, quantity and day's supply by all providers in all settings; use NDCs for prior authorization, utilization management, payment, collection of rebates, claim-level reporting, data analysis, provider contracts, and patient outcomes.
- Include cost parity across all sites of care for the same drugs and services in all contracts.
- Align TCOC/ACO contracts to include drugs so practitioners select and/or administer high-value drugs.
- Ensure practitioners know drug prices (what employers and consumers pay) at the point of care to support use of high-value drugs.

Pharmacy Benefit Managers (PBMs)

- Accept fiduciary responsibility (ERISA definition).
- Ensure a level of financial transparency, so purchasers know exactly how their money is being spent.
- Provide complete claim-level reporting, including all data fields, for employer ad hoc analysis.
- Involve employers in key decisions* that affect their overall health costs.

*Normally, prices go down as more competitors enter the market.
What happened when multiple therapies became available for multiple sclerosis patients?
The annual cost increased 500% in just 10 years.*

Source: The cost of multiple sclerosis drugs in the U.S. and the pharmaceutical industry: Too big to fail? Neurology, 84, May 26, 2015, pp.1-8

Specialty Pharmacies

- Ensure a level of financial transparency, so purchasers know exactly how their money is being spent.
- Make operational processes and decisions on behalf of the purchaser, independent of the specialty pharmacy parent organization's financial interests.
- Ensure that high-level, timely clinical expertise supports provider decisions to use high-value drugs and achieve optimal outcomes.
- Provide patient education and support that includes timely instruction on drug administration and emotional and social support to increase adherence and improve outcomes.

***Our ultimate goal:
All stakeholders develop solutions
together, holding one another
accountable for getting
the 5 rights, right.***

Manufacturers

- Ensure that price increases over time do not exceed the Consumer Price Index (CPI).
- Create a model of financial transparency that will assist purchasers in making value-based decisions.
- Develop and implement value-/performance-based pricing (to be defined).
- Discontinue consumer coupon programs that encourage use of low-value, high-cost drugs in place of therapeutically equivalent generics.

***The Action Group convenes a multi-stakeholder workgroup to determine specific action items, deliverables and a multi-year timeline.
For more information, visit mnhealthactiongroup.org.***

About the Minnesota Health Action Group

The Minnesota Health Action Group is a coalition of public and private purchasers whose sole purpose is to represent the collective voice of those who write the checks for health care in Minnesota. Action Group members collaborate with community stakeholders to drive innovations that support high quality health care, create engaged consumers, and ensure the economic vitality of all Minnesota communities. Based in Bloomington, Minn., the Minnesota Health Action Group was formed in 1988 as the Buyers Health Care Action Group. To learn more, visit www.mnhealthactiongroup.org. Follow on LinkedIn and Twitter: @actiongroupmn.