Drug Price Transparency
Stakeholder Webinar for Issuers & Carriers

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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 issuers and carriers

“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

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

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

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

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

- 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 continued:

- 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

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

**Reminder:** You must be signed up for [GovDelivery](https://www.hca.wa.gov/about-hca/rulemaking) 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
- SSB 6088