WELCOME

We convene. We spark conversation. We accelerate collaboration.
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker</th>
<th>Title</th>
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<tbody>
<tr>
<td>12:30</td>
<td>Welcome &amp; Introductions</td>
<td>John Clymer</td>
<td>Executive Director&lt;br&gt;National Forum for Heart Disease &amp; Stroke Prevention</td>
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<tr>
<td>12:32</td>
<td>National Alliance Rx Purchaser Policy Principles</td>
<td>Michael Thompson</td>
<td>President &amp; CEO&lt;br&gt;National Alliance of Healthcare Purchaser Coalitions</td>
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<tr>
<td>12:50</td>
<td>Q &amp; A</td>
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National Forum for Heart Disease & Stroke Prevention

National Alliance
Rx Purchaser Policy Principles

Discussion Guide

April, 2019
National Alliance Coalition Members

Our Unique Value Together

• National/Regional Structure
• Distributed Change Agents
• Deep & Diverse Healthcare Expertise
• Broad Relationships
• Voice of the Purchasers

Regional Coalitions Supporting 12,000+ Purchasers, 45+ Million Americans, 300+ Billion Dollars of Medical Spend
National Alliance: *Mission, Vision and Values*

**Mission:**
*Driving innovation, health and value for organizations and communities across the country*

**Vision:**
*To be a recognized force in leading constructive and collaborative change that enables higher value in the healthcare marketplace*

**Values:**
*We will consistently act in the collective best interest of purchasers and coalition members, while being candid, transparent and, at times, disruptive in our efforts to improve health and healthcare across America*
National Alliance: *Strategic Framework*
National Purchaser Leadership Council

NPLC Representatives

- Bath Iron Works – GD (Maine)
- Click Bond (Nevada)
- Ford Motor Company (Michigan)
- Miami Dade County Public Schools (Florida)
- Prudential (Northeast)
- Sandia National Laboratories (New Mexico)
- Sargento Foods (Midwest)
- Southwire (Georgia) ASHA (MidAtlantic)
- State of Tennessee (HC21, Memphis)
- US Steel (Pittsburgh) Prudential (Northeast)

Recent Discussions

- Rebasing Value Based Marketplace
- Rx Purchaser Policy Principles
- Episode-based Bundled Payments
- Waste – Issues, Opportunities, Path forward
- Azar Proposal – Eliminate Drug Rebates

Purpose of NPLC

- Serve as national advisory council to the National Alliance
- Define priorities to support purchasers, manage supply chain issues and execute national initiatives
- Identify and grow national leaders in purchaser community
- Support the growth of the coalition movement both regionally/nationally
National Alliance Drug Strategy Advisory Group Meeting

- Build on Regional Coalition Efforts
  - Waste
  - PBM Management
- Target new areas of focus
  - Drug pricing and value
  - Value Based Performance Contract

**Drug Strategy Advisory Group**
- Deb Krause, Minnesota HCAG
- Chris Skisak, Houston BGH
- Chris Goff, Employer’s Health
- Lauren Vela, Pacific BGH
- Denise Giambalvo, Midwest BGH
- Cheryl Larson, Midwest BGH
- John Miller, MidAtlantic BGH
- Gloria Sachdev, EF Indiana
- Troy Ross, MidAmerica CHC
- Bruce Sherman, National Alliance
Specialty Drug Marketplace

“Five Rights Framework”

“Collective Agenda”

- Clinical efficacy and safety independent of conflicted interests
- Supports improved assessment of correct drug, dose and duration of treatment for specific patient
- Expand purchaser transparency and engagement and use of National Drug Codes (NDCs)
- Value based contracting aligned with performance and adherence to high value drugs
- Cost parity or benefit differentials across sites of care for same drugs and services
- Effective emotional and social support to increase adherence and improve outcomes.
- Discontinue conflicting practices - Low value coupon programs, drug increases in excess of CPI, exclusion of high value delivery options
NHLC Coalition Discussion
ICER/NHC Value Assessment Frameworks

Goal: Sustainable Access to High-Value Care for All Patients

Drug category | Recommended Discount*
---|---
PCKS9 inhibitors for high cholesterol | 50%
Psoriasis | 5%
Multiple sclerosis | 25%
Rheumatoid arthritis | 15%

The Patient Voice in Value: The National Health Council Patient-Centered Value Model Rubric

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Azar Drug Policy Blue Print – Alignment with Rx Purchaser Policy Principles

Key Rx Purchaser Policy Principles

- Full transparency - Purchasers need to 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
National Alliance Viewpoint - Rebates must go

Views Yes, it’s time to kill drug rebates

By Michael Thompson
Published February 04 2019, 9:30am EST

How in Prescription drugs, Pharmacy benefits, Healthcare benefits, Healthcare plans, Pharmacy benefit management, Healthcare costs, NHS

The Trump administration’s proposal to eliminate drug rebates would be a transformative change on par with the deregulation of telephone companies many years ago. It will dramatically change the dynamics in the pharmacy benefit management and drug industry.

The proposed rule, released Thursday, lowers prescription drug prices and out-of-pocket costs by encouraging manufacturers to pass discounts directly on to patients.

Drug rebates were initially intended to improve market competition by forcing pharmaceutical manufacturers to compete for market share. Instead it led to a market focused more on rebates than drug value. The result: Inflated prices of prescription drugs for many consumers since they rarely benefited from the cost savings of the rebates. As importantly, it also has led to lack of transparency and an increasingly dysfunctional market for employer plan sponsors.

The proposal by the Department of Health and Human Services Secretary Alex Azar and Inspector General Daniel Levinson compliments efforts in the “American Patients First” blueprint to reduce drug prices, and would have an immediate impact on drug pricing and a disruptive effect on the market.


➤ Lack of Transparency
➤ Conflicts of interest
➤ Consumer Equity
➤ Personalized Value
2019 PBM Assessment

- Updated and Released for 2019
- Further integration of value agenda
- 6 PBMs responding

Three Part Webinar Series (Recorded)

• Contract Innovations: Simple steps to impact your bottom line today and tomorrow

• PBMs Protecting Members: Working with your PBM to minimize member risk and cost

• Real-Time Prescription Benefits/Point-of-Sale Rebates (postponed/being rescheduled)
2019 National Employer Rx Roundtable Project

10 Coalitions to conduct a 1/2 to 3/4 day Employer Roundtable with 10-15 employers

**Overall Goal**
Determine current employer perspective/attitudes on drug pricing, formulary decisions and defining overall value in developing their healthcare strategy

**Core Areas** (all roundtables will address)

1. Employers perspective/directions on drug pricing – what is “too high”? What is worth paying for?
2. Defining health plan quality & performance
3. Use of research to support formulary decisions and health outcomes (includes pharma)
4. Rebates: How to manage healthcare strategy if there were no rebates? Should we get rid of rebates in the private sector?
5. How effective are intermediaries?
6. Biosimilars – use/impact, where do they fit in?
7. Current attitudes on “precision medicine” – what are key issues
8. How do employers define and contract for value?
9. Ask about *National Alliance Global Principles*
10. What do employers need to do their job better?
The Debate is Now!
Thoughts/Questions?

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National Alliance of Healthcare Purchaser Coalitions
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Recordings Available

• Slides and audio from previous spotlights available at
  https://www.nationalforum.org/value-access-member-spotlight-webinars