MBGH Project Overview

- As part of the National Employer Initiative on Specialty Drugs, MBGH invited interested sister coalitions to participate in the multi-year project.

- Coalitions were offered guidance, information and resources and were encouraged to offer the toolkit and project resources to their employer members.

- MBGH also requested that each coalition share information on their own efforts in managing specialty drugs, both with their members and in the marketplace, including:
  - Employer best practices
  - Feedback on project activities and tools
  - Information on their own coalition activities related to employers and specialty drug management as part of a report to be included on the project’s website – www.specialtyrxtoolkit.org
FLHCC is a 501(c)3 research and education non-profit organization. Our mission is to improve the quality and value of health care services in the communities where the employees of our members live and work.

Our work in Specialty Pharmacy over the past few years has centered around increased educational programming on the topic and the analysis of specialty pharmacy utilization, cost and adherence in our employer population. Over the course of our work in partnership with MBGH, we conducted the following:

- 7 Webinars on Specialty Pharmacy issues and solutions
- 5 Part Blog Series on Pharmacy/Specialty Pharmacy Best Practices with actionable recommendations
- 3 Symposia with nationally renowned speakers showcasing best practices and time for dialogue with the experts
- 4 Conferences that included specialty pharmacy as a key topic area for quality and value improvement efforts
- 3 Research and Data Analysis Projects that drilled down into our employer data to identify areas for coalition and employer action
- Advocacy in the State of Florida for more transparency with drug pricing including specialty pharmacy via the Agency for Health Care Administration (AHCA). Karen van Caulil serves as Vice Chair of the State’s Consumer Health Information and Policy Advisory Council.
- Advocacy at the state and national level with improving patient safety and experience via e-prescribing and dispensing protocols in electronic health records. Karen van Caulil serves on the Florida Health Information Exchange Coordinating Committee and is appointed to represent employers/purchasers by the US Government Accounting Office on the Health Information Technology Policy and Standards Committee.
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FLHCC approach to Specialty Pharmacy mirrored the National Business Coalition on Health strategy (now the National Alliance of Healthcare Purchaser Coalitions) and the strategy of the National Employer Initiative on Specialty Drugs:

1. **Get the coalition members aware and educated** at a high level to ensure a better understanding of specialty pharmacy issues and solutions.

2. **Bring the employers (and their data) together to determine and address opportunities, gaps, etc.**

3. **Engage providers, health plans, PBMs and other vendors** to ensure appropriate coverage, offerings, benefit design and coordination.

*Note: Much of our work related to Specialty Pharmacy has been in the Oncology space because of the high prevalence of the disease and accompanying cost, but it has not been limited to oncology.*
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"Lunch and Learn" webinars With employer/purchaser members – to increase awareness of Specialty Rx issues and solutions and spur action.

Our employer/purchaser members cover the entire State of Florida and range from “jumbo” to sole proprietorships. They also cover a broad spectrum in their knowledge and expertise in the design of value based benefits, so the topics have ranged from “101” level topics to those very specialized in nature. Many of the topics and the experts we engaged in the webinars were brought to our attention through the MBGH Specialty Rx project and explored more deeply in these sessions. Our employer/purchaser members have implemented many changes in their approach to specialty pharmacy as a result of the information FLHCC/MBGH has shared with them.

1. Advancing Patient Care Through Physician Dispensing and Specialty Pharmacy (1/25/2017)
3. FLHCC Research Findings in Specialty Pharmacy and Oncology (9/25/2016)
4. Employer Trends in Oncology and Specialty Pharmacy (7/22/2015)
5. Site of Care Management for Employer Groups (4/15/2015)
6. Charting a New Course to Employee Health: How Pharmacists and Technology Can Help Reduce Costs for High Risk Employees (2/18/2015)
7. A National Perspective on Oncology Issues and Opportunities for Employers (5/14/14)
Many trends, issues and solutions were presented in our educational events, the sharing of the MBGH Specialty Toolkit and the take-aways from our research and data analysis. We found that the most action was undertaken by our members as followup in the following areas:

- Value based benefit design had not been widely employed for specialty drugs at the outset. Once implemented, the employers found that it was most effective in improving adherence for patients with multiple sclerosis and rheumatoid arthritis primarily through the use of reduced co-pays. Cancer presented a more complex challenge, especially due to the difficulty in identifying drugs embedded in the medical codes and the complexity of the drug therapy.

- Exquisite care management for patients who take specialty drugs decreases costs and improves outcomes because of improved adherence and is worth the investment. Several employers contracted with specialty pharmacies to provide this service.

- We found that employers were unaware of how widespread the use of coupons/co-pay assistance for specialty medications was in their populations, operating under the assumption that it was a need-based system. Co-pay assistance programs were found to greatly reduce barriers to access and increase adherence, but also made it easier for patients to afford medications that they may not need. Our research helped inform the out of pocket maximum level that tipped the scales for optimal adherence.

- How to manage site of care to save money – moving the care setting from the hospital to outpatient through benefit design, direct contracting, etc.

- How best to implement step therapy and prior authorization without delaying access to care.

- How to ensure rebates are given where appropriate.
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**Webinars - Lessons Learned, Findings, Next Steps**

- We learned that our members greatly appreciate this information because of the increasing utilization and cost associated with Specialty Pharmacy. They originally expected their health plan, PBM, benefits consultants/brokers and specialty pharmacy vendors to provide this guidance, but have found that FLHCC can provide unbiased, actionable information and can provide useful tools for what to ask and/or expect of their vendors.

- We are seeking funding to compile a booklet with all the recommendations for action from each webinar/educational event to send to our members. We record all the webinars and make the recordings and PPTs available to the participating employers, but feel that this “handy reference” approach will be more useful to them. Once this document is compiled, we will share it with MBGH.

- We will also direct our employers to resources available on the new website developed by MBGH and will link to it on our website.
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Tim Thomas from Crystal Clear Rx wrote a five part pharmacy Blog for our members. The blogs can be found on our website at http://flhcc.org/blog/categories/pbm-contracts.html

We sent the blogs out monthly via our e-newsletter and social media accounts (LinkedIn, Twitter and Facebook). The intent of these blogs was to do a deeper dive into some of the strategies discussed at our April 2016 Annual National Conference in an easy to read format and connect them with a trusted consultant if they needed more information. Crystal Clear Rx is an affiliate partner.

1. Weathering the Rx Storm
2. How to Review and Improve your PBM Contract
3. Achieving the Best Value Through Your PBM Contract
4. Engaging Your Members in New Models
5. Carving Out Mail Order, Specialty and Rebates
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**Blogs - Lessons Learned, Findings, Next Steps**

- Our employer/purchaser members are not engaged in social media, for the most part. They have asked that the information on specialty pharmacy provided in these blogs be put in one place on our website so that they can easily reference it (completed). This material will also be included in the aforementioned booklet.

- The employer/purchaser members indicate that the information in these blogs is “new to them,” although FLHCC has presented much of it to them via our webinars and educational events. FLHCC take-away is that we need to keep presenting the information to them and make sure that they know where to access it when they need it.
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Symposia With Employer Members – to increase employer/purchaser awareness of issues and solutions and spur action

Symposium: Strategies for Success in Managing Cancer and Specialty Pharmacy (10/12/2016)

Sessions included:

1. **Oncology Trends: Perspectives from Managed Care, Specialty Pharmacy, Oncologists, Practice Managers and Employers**

2. Workshop: **Guide to Specialty Drugs for Employers**

3. Workshop: **Specialty Drugs: Let’s Take Action!**

4. **Impact of Non-Medical Switching of Medically Stable Patients**

5. **Improving Outcomes and Minimizing Waste for Patients on High Cost Oral Chemotherapy**

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Symposia With Employer Members – to increase employer/purchaser awareness of issues and solutions and spur action

Symposium: Seeking Value in Cancer Care (10/14/2015)

Special Session on:

• *Evolving Approaches to Cancer Care/Drug Cost Management*
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Symposia With Employer Members – to increase employer/purchaser awareness of issues and solutions and spur action

Symposium: Oncology Management Best Practices, Trends and Opportunities (10/21/2014)

Special Session on:

• *Best Practices in Specialty Pharmacy Management*
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Conferences With Employer Members – to increase employer/purchaser awareness of issues and solutions and spur action


Special Session on:

• The Intensifying Pharmacy Benefits Storm: 9 Things You Can Do to Succeed and Thrive
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Conferences With Employer Members – to increase employer/purchaser awareness of issues and solutions and spur action

Annual National Conference: Health Care Purchasers as Consumers: Smart Shopping for Cost and Quality (5/7/2015)

Sessions on:

1. *The Unintended Cost and Quality Consequences of Many PBM Arrangements*

2. *Optimizing the Health Care Investment Strategies for Employer Health Benefit Design- What Employers Need to Know to Better Manage Specialty Pharmacy*

3. *Fire on the Mountain – Understanding and Identifying Specialty Pharmacy Costs*
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Conferences With Employer Members – to increase employer/purchaser awareness of issues and solutions and spur action

Tampa Bay Market Kick off Conference - Specialty Pharmacy: Understand, Identify and Manage the Costs (11/4/2014)

Sessions on:

1. **Overview of the Specialty Pharmacy Landscape**

2. **Understanding and Managing the Specialty Pharmacy Spend**

3. **Specialty Pharmacy’s Therapy Management Model: Innovative Methods for Improving Outcomes and Containing Drug Spend**

4. **Getting the Most Value From Your Specialty Medication Program – Strategies that Work**

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Conferences With Employer Members – to increase employer/purchaser awareness of issues and solutions and spur action

Annual “Best of the Best in Pharmacy Innovation” (9/18/2013)

Sessions on:

1. Past, Present and Future of Specialty Medications
2. Controlling Specialty Pharmacy Trends and Improving the Culture of Health With Value Based Pharmacy Benefits

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Symposia and Conferences - Lessons Learned, Findings, Next Steps

- Employers are extremely concerned about the significant increase in use and cost of specialty drugs and the large number of new drugs coming to market. They are very motivated to undertake effective management strategies.

- Employers had been unaware that because their plan members were not party to the PBM contracts they executed, during the time before they hit their out of pocket maximum the plan members were paying for their drugs with no discounts.

- Non-Medical Switching was a timely presentation this past October. There was at least one PBM that had negotiated a “deal” with a manufacturer and moved competing drugs off the formulary. The employers were not aware of the potential adverse consequences of this strategy.

- Employers like to hear from other employers about their successes and their lessons learned with specialty pharmacy and to have an opportunity to speak to each other about their approaches, their vendors, their benefit design.

- Employers appreciate the opportunity to participate in the benchmarking survey that MBGH produces and to receive the summary report.
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Specialty Pharmacy Data Analysis and Research Studies:

• FLHCC sought to determine providers’ adherence to National Comprehensive Cancer Network (NCCN) and American Society for Clinical Oncology (ASCO) “Choosing Wisely” guidelines for breast and prostate cancer and profiled Orlando based providers based on their concordance with best practice by examining pharmacy and medical claims for several large employers in the Orlando area (2014)

• FLHCC extracted the pharmacy spend in medical and pharmacy claims for breast and prostate cancer (as best we could) using the claims experience of the same employers (2015)

• FLHCC wanted to determine the impact of co-pays on adherence to specialty pharmacy drugs. We also wanted to see if patients with multiple diseases experienced different levels of adherence to their specialty medications (2016)
Breast and Prostate Cancer Patients – FLHCC analyzed 5 years of paid and pharmacy claims as described on the previous slide:

• Data from 5 large public and private sector employer members in the Greater Orlando area were included in the study. We were only able to include employers that could provide plan and member cost share. This ruled out all employers associated with Florida Blue or another Blue Cross/Blue Shield plan.

• 1,295 breast and prostate patients were identified and studied.

• There were 13,792 paid providers for these 1,295 patients at 22 sites of care! This finding was very eye-opening and has necessitated rethinking of our approach to direct contracting and/or developing bundled payments for oncology.

• Also, FLHCC is working with the region’s most highly utilized providers to discuss the appropriateness of the treatment regime.
Key findings related to specialty pharmacy in our oncology study:

- 95% of breast and prostate cancer drug spend was billed through the medical benefit
- 98% of total drug cost occurred in the office setting
- Likely additional significant drug spend in hospital outpatient facilities, but coding issues presented a difficulty. Problems with coding under the medical benefit include multiple drugs sharing the same code and the use of temporary codes for new drugs. Providers bundled the expense with unrelated charges, obscuring the drug costs.
- Analysis suggested widespread drug treatment variation, especially for breast cancer and an opportunity for improved clinical and financial outcomes for supportive care drugs. Analysis also suggested the two cancers are treated very differently (see tables provided on slides 24-27).
- We found a significant cost shift to the employer for total cancer spend, much of which was drug related that forced discussions about benefit design changes for cancer patients to reduce the burden. See table on slide 23.
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Significant Cost Shift to the Cancer Patient (2012-2014):

<table>
<thead>
<tr>
<th>Cancer Type</th>
<th>Total Per Case Cost of Treatment</th>
<th>Patient Out of Pocket Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breast</td>
<td>37%</td>
<td>59%</td>
</tr>
<tr>
<td>Prostate</td>
<td>13%</td>
<td>56%</td>
</tr>
</tbody>
</table>
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**Site of Care Payment Distribution:**

<table>
<thead>
<tr>
<th></th>
<th>Breast</th>
<th>Treatment Site</th>
<th>Prostate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20%</td>
<td>Inpatient Hospital</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>46%</td>
<td>Outpatient Hospital</td>
<td>27%</td>
</tr>
<tr>
<td></td>
<td>28%</td>
<td>Office</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>6%</td>
<td>Other</td>
<td>7%</td>
</tr>
</tbody>
</table>
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**Six Month Interval Cost Distribution** – *Significant Costs Incurred in 1st Six Months of Treatment for Breast Cancer Primarily Associated with Misdiagnosis, Pharma Tx and Inpatient Care*

Underscores need for:
- *Early intervention*
- *Nurse navigator*
- *Second opinion (pathology)*
- *Quality awareness*
- *Centers of Excellence*
- *Support programs*
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Six Month Interval Cost Distribution – Prostate Cancer – very different pattern from Breast Cancer

- Significant costs incurred at the 18 month mark
  - Possibly related to Dx confirmation and “watchful waiting”
  - Creates greater opportunity for
    * Second opinion
    * Dx and treatment options
    * Centers of Excellence
“Choosing Wisely” Analysis - ASCO Campaign

“Don’t use white cell stimulating factors (CSF) for primary prevention of febrile neutropenia for patients with less than 20% risk for this complication.”

- Age is not the factor that network physicians considered when prescribing CSF (i.e., Neulasta, Neupogen)
  - Most providers were not following the NCCN guideline

- High neutropenia risk chemotherapy is another factor that network physicians considered when prescribing CSF
  - Most providers were following the NCCN guideline

- Nevertheless, CSF agents were used more frequently on low-risk patients than on intermediate-risk patients
  - Most providers were not following the NCCN guideline
“Choosing Wisely” Analysis - ASCO Campaign

“Do not give patients starting on a chemotherapy regimen that has a low or moderate risk of causing nausea and vomiting anti-emetic drugs intended for use with a regimen that has a high risk of causing nausea and vomiting.”

- Patients who received medium to high emetic risk agents will have higher odds to receive Aloxi in the same treatment episode than those received low risk agents.
  - Most providers followed NCCN’s guideline

- Patients who received minimum to none emetic risk agents will have lower odds to receive Aloxi in the same treatment episode than those received low risk agents.
  - Most providers followed NCCN’s guideline
Specialty Pharmacy Adherence Study – How do differences in benefit design and co-morbidities impact adherence?

- Study database included 85 individual employer groups (municipalities, hospitals, manufacturing, retail) with 1,000 specialty pharmacy patients – all diseases and conditions with varied specialty pharmacy coverage and benefits.
- More than 1 million claims analyzed by Noble Health Services under the direction of FLHCC.
- Only claims in the pharmacy spend were analyzed.
- Maintenance medications were only analyzed for adherence along with specialty medications.
Overview of the Specialty Co-pay Structures Included in the Study

- Specialty co-pay equivalent to retail brand co-pay (47% of employers in the study)
  - Mostly public sector employers with rich benefit design
- Percentage co-insurance – range from 10% - 40% (26% of employers)
- Percentage co-insurance (range 10%-50%) with max of $100-$300 (10%)
- Flat co-pay for specialty of $25-$100 – higher than non-specialty co-pay (12%)
Definition of Adherence That FLHCC/Noble Used = utilization of the specialty drug for 4 months or greater with a lapse of 2 months followed by uptake of the same drug regimen.

Key findings regarding utilization -- by a few of the major disease states:

- **Rheumatoid Arthritis** – saw decline in adherence when out of pocket cost was higher and higher utilization when out of pocket was low.
- **Multiple Sclerosis** – most consistent adherence/therapy regardless of co-pays.
- **Cancer** – no differences between co-pay structures, but analysis was too limited for cancer since the drugs are found mostly in medical claims; also we were unable to determine whether the drug was dropped due to side effects, changed medications, or the patient died.
Results and Observations

• Chronic co-morbidity disease states do not appear to adversely impact members’ utilization of specialty medications -- most co-pays for non-specialty are flat and the medications are largely available as generic.

• Adherence is impacted for specialty medications when percentage co-pays with/without maximums are administered.

• However, utilization of a specialty pharmacy showed fewer claim reversals and a higher degree of subsequent fills while could be attributed to the now widespread utilization of manufacturer co-pay assistance programs for specialty medications.
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Next Steps Re-Cap:

• Continue to work with employers on analysis of their pharmacy and medical claims data and benefit design to identify areas of opportunity and gaps.

• Continue educational programming via webinar, blogs, conferences and symposia.

• Develop compendium booklet of Specialty Pharmacy Management Strategies and Tactics for our employer members, pending funding.

• Continue to work with oncology providers on site of care differences in cost and quality and concordance with evidence based best practices.
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