



# What's Up With Drug Pricing?

Mark E. Thompson, M.D.  
Medical Director for Public Policy, COA

Ohio Hematology Oncology Society Annual Meeting  
October 11, 2019

# Let's Frame the Issue

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- Increasing drug prices for antineoplastic drugs are rapidly escalating and unsustainable
- New and more effective agents are expanding in use and expensive
- Consolidation in health care is rapidly occurring with increasing costs
- Cancer care is now moving from a localized service-based business to “BIG” business
- PBMs and rebates are driving up the costs of drugs
- 340B growth is driving up drug costs

# Oncology Drug Cost Trends

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- In 2018, two-thirds of the growth in U.S. oncology costs in the previous five years could be attributed to the uptake of innovative medicines launched since 2013 (2018 IQVIA)
- Oncology immunotherapy costs are projected to increase 231% from 2016 to 2021 (2018 Magellan)
- Oncology accounted for 35% of commercial medical pharmacy spend in 2016 (2018 Magellan)
- Commercial market per-member, per-year spend for oncology drugs increased by 18.1% from 2017 to 2018, making oncology the therapy class with greatest cost increase (2018 Express Scripts)
- Oncology agents accounted for 10 of the top 25 drugs by spend in the commercial medical benefit in 2017 (2018 Magellan)
- Oncology and oncology support accounted for 43% of the medical benefit drug per-member, per-month spend in the commercial market in 2017 (2018 Magellan)

# Drug Prices/Costs in Perspective

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- New drugs launched in the last five years now account for more than 20% of global oncology spending (2017 Quintiles)
- While total cancer care costs increased about 60% for commercially insured cancer patients between 2004 and 2014, spending on cytotoxic and biologic chemotherapies grew by 101% and 485% (2016 Milliman)
- *“Increased spending is the result of higher drug prices, greater use of high-priced drugs, and an increase in the proportion of chemotherapy infusions being done in hospital outpatient settings, which is generally more expensive than administering drugs in physicians’ offices.”* (President’s Cancer Panel)

# Here's the Environment!

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- Health care is changing like never before
  - Consolidation = profound impact on cancer care
  - Lines blurring between insurer and providers, especially pharmacy
- Lowering prescription drug prices (and costs) has become a political and media agenda – like never before!
  - Drug prices and companies in the crosshairs of Trump Administration
  - Same holds true for Congress – both House (Democrat controlled) and Senate (Republican controlled)
- Need to score political victories can have a profound negative effect on cancer care
  - International Pricing Index (IPI) Model a perfect example
  - Giving insurers and PBMs more power to control medical decisions



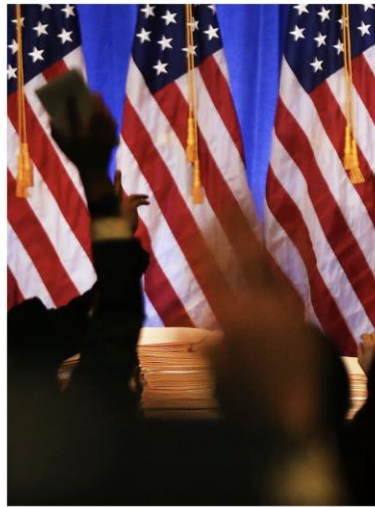
# Drug Prices in the Crosshairs

## *Trump Proposes to Lower Drug Prices by Basing Them on Other Countries' Costs*

FIRST OPINION

### Alex Azar: Why drug prices keep going up — and why they need to come down

By ALEX M. AZAR II / JANUARY 29, 2019



President Trump and human services

POLITICS

### It's not just Democrats: In dueling drug pricing hearings, at least some Republicans slam pharma, too

By LEV FACHER @levfacher and NICHOLAS FLORKO @NicholasFlorko / JANUARY 29, 2019



The New York Times

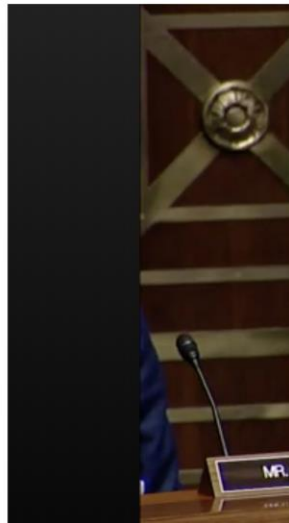
## *Trump Officials Move to Lower Drug Prices by Passing On Rebates to Patients*

### Drug Pricing in America

Date: Tuesday, January 29, 2019

Time: 10:15 AM

Location: 215 Dirksen Senate Office Bldg



# So What's Up in D.C. Regarding Drug Prices?

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- There are currently more than 20 bills in Congress regarding drug pricing issues
- The President's Blueprint for drug pricing has influenced the environment
- The proposed IPI Model remains looming, yet not finalized
- Both Republicans and Democrats have an appetite to enact meaningful legislative fixes
- It is likely given the current D.C. climate that **NOTHING** of substance gets legislated this year

# What Does the Legislation Look Like?

- S2543 - Prescription Drug Pricing Reduction Act of 2019 - Senate Finance proposal
- HR 3 - Lower Drug Costs Now Act of 2019 - House Democrat's proposal - May pass the House
- S1227- Prescription Pricing for the People Act of 2019 - Senate Judiciary Committee - everyone wants a piece
- REFUND Act of 2019 - Senators Portman & Durbin's Bill
- Various bills regarding PBM's and rebates



# Politics Versus Reality

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- Bipartisan interest in tackling drug prices
  - Progressive Dems want “Medicare For All” and complete negotiation of drug prices vs moderates
    - Irony in that Republicans want to do something but split among Democrats may stop getting something done
- Democrats starting to spar with each other - that and ideological split makes moving forward tough
- Big focus right now among the Democrats is impeachment
  - Makes working with the Republicans harder
- The closer we get to 2020 – a major election year – Congress will likely grind to a halt

# Where's the Drug Price Issue Going in D.C.?

- Trump wants a “win” on drug prices and doesn’t care about policy. Democrats want a “win” as well. Neither want to credit the other in this space.
  - So, HHS Sec. Azar needs a win on drug prices
- Medicare Part B is in the crosshairs again – a theme that never quits
  - Giving MA plans ability to implement “fail-first” (step therapy) and formularies
  - Using “mandatory” demos under the Medicare “Innovation Center” to change reimbursement
  - Proposed taking away protected classes (cancer is one of six protected classes)
    - But backed away from it!
- Recently passed (out of committee) Senate Finance drug pricing bill puts price inflation caps on Part B and D drugs, among other provisions
- Speaker Pelosi’s HR 3 drug pricing Bill in the House also has caps
- Putting HUGE pressure on pharma companies
  - Both the administration and entire Congress
- Look for drug prices to be a HUGE election year issue

# Trump Blueprint on Drug Prices

- Covered virtually every area of drug pricing, except for direct government negotiation of drug prices in Medicare
- Posed 132 questions asking input on many aspects of drug pricing
- Regardless of media and political portrayal, most comprehensive blueprint ever



# Blueprint Goals

- Increase drug competition
  - Speed generic, biosimilar, and brand approvals
- Fix “global freeloading”
- Change Medicare Part B
  - Move Part B drugs to Part D
  - Revive the Competitive Acquisition Program (CAP)
- Fix 340B
  - Move reimbursement closer to true drug acquisition cost
  - Tie 340B to charity care
- Reimburse physician practices and hospitals the same
- Address PBM situation, especially rebates
- Facilitate manufacturer value-based contracting
- Drug price transparency

**20062** Federal Register / Vol. 83, No. 86 / Wednesday, May 16, 2018 / Notices

relationships between patients and intermediaries. With this data, the contractor, to inform ASP and ACP, will build a novel organizational network to depict how patient and intermediary organizations collaborate with one another through TYAP to better understand the existing network.

and identify potential opportunities for improving the efficiency of the network. ASPs anticipate completion of all data collection activities by October 2018.

**ESTIMATED ANNUALIZED BURDEN TABLE**

Type of respondent	Number of respondents	Number of respondents (in thousands)	Estimated burden per respondent (in hours)	Total burden hours
TYAP parties	5	1	4000	200
TYAP Subparties	250	1	4000	1000
Total	255	2	4000	1200

**Task:** The contractor shall develop a novel organizational network to depict how patient and intermediary organizations collaborate with one another through TYAP to better understand the existing network.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
Office of the Secretary

**8085-0246**  
**ISIS Blueprint to Lower Drug Prices and Reduce Out-of-Pocket Costs**  
AGENCY: Department of Health and Human Services.  
ACTION: Public Statement; Request for Information.

**SUMMARY:** Through this request for information, HHS seeks comment from interested parties to help shape future policy development and agency action. DATES: Comments must be submitted on or before July 16, 2018.

**ADDRESS:** You may submit comments in one of three ways (Please choose only one): 1. Electronically. You may submit electronic comments to <http://www.regulations.gov>. Follow the "Submit a comment" instructions. 2. By regular mail. You may also submit written comments to the following address: ONC, Room 0006, Washington, DC 20037.

Please allow sufficient time for mailed comments to be received before the close of the comment period. 3. By express or overnight mail. You may also submit comments to the following address: ONC, Department of Health and Human Services, 200 Independence Ave. SW, Room 0006, Washington, DC 20037.

**FOR FURTHER INFORMATION CONTACT:** John O'Brien, (202) 455-7565.

**SUPPLEMENTARY INFORMATION:** The United States is the world's leader in pharmaceutical innovation. American innovation has improved the health and quality of life for billions of people, and was made possible by our exceptional property rights, decades of government and private research, strong capital markets, and the world's largest scientific research base. By rewarding innovation through patent and data exclusivity, Americans safeguard the intellectual property rights for most new, and potentially life-changing, medicines. Our regulatory system is the most rigorous in the world, ensuring the safety and efficacy of drugs for American patients. Medicare, Medicaid, other Federal health programs, and private payers ensure Americans have access to medicines, from innovative new drugs, to generic versions of medicines that have markedly lowered costs for consumers.

As part of President Trump's bold plan to put American patients first, the Department of Health and Human Services has developed a comprehensive blueprint that addresses many of the challenges and opportunities impacting American patients and consumers. The blueprint covers multiple areas including, but not limited to:

- Improving competition and ending the practice of the industry group of drug discounts in government-funded programs.
- Creating incentives for pharmaceutical companies to lower list prices.
- Reducing out-of-pocket spending for patients at the pharmacy and other sites of care.

HHS also recognizes that achieving the goal of putting American patients first will require interagency collaboration on pharmaceutical trade policies that promote innovation, and are transparent, nondiscriminatory, and

increase fair market access for American consumers. Furthermore, HHS wants to ensure that drug discounts are paid by payers for drugs from the prices paid by Federal health programs, and correct these inequities through better regulation.

HHS has also acted to increase the affordability of medicines for millions of our citizens, but is also going much further in response to President Trump's call to action. Through the work of the Food and Drug Administration and the Centers for Medicare & Medicaid Services, HHS has tremendous ability to change how drugs are developed and sold in the United States.

For drugs that are safe, effective, and acceptable, millions of Americans face soaring drug prices and higher out-of-pocket costs, while manufacturers and middlemen such as pharmacy benefit managers (PBMs) and intermediaries benefit from rising list prices and their resulting higher shares and administrative fees. An unprecedented re-examination of the whole system and opportunities for action is long overdue. We believe a national focus on lowering list prices and out-of-pocket costs has the potential to create new and better value and lower both out-of-pocket cost and total list price of drugs.

Through this request for information, HHS seeks comment from interested parties to help shape future policy development and agency action.

**Table of Contents:**

1. Purpose and Authority for the Trump Administration
2. Summary of the Blueprint
3. Creating Incentives to Lower List Prices
4. Reducing Out-of-Pocket Costs
5. Improving Competition
6. Reducing Out-of-Pocket Spending

# Where's the IPI Model?

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- Waiting for the final rule from CMS/HHS
  - CMS/HHS moved it to OMB for a “possible” August 2019 release of the proposed rule that never came to be
  - Some speculate it may not be released anytime soon, or at all
    - Lots of pushback on the indexing of drugs to international prices (can it even be operationalized?)
    - Apparently, not a lot of takers on CAP (at least in a version that doesn't totally disrupt providers' operations)
    - ASP flat add-on fee being looked at by Congress, possibly as part of bipartisan drug pricing legislation, however the recent Senate Finance package failed to tackle this piece



# IPI Model: What's Wrong?

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- Indexing U.S. drug prices to foreign prices sounds great on paper, but how do you really do it without other countries playing games?
  - Problem comparing other countries' net prices to U.S. list prices
  - More cancer drugs available here than in any other country
- CAP- a big problem
  - It would fundamentally change how cancer patients get their drugs
  - It would change from just-in-time delivery of chemotherapy to ordering and waiting for chemotherapy from some middleman
- Changing cancer drug reimbursement would put even more pressure on community oncology practices, forcing more closures and consolidation into hospitals

# “Old School” Strategies/Tactics Not Working

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- Using middlemen – PBMs, insurers, etc. – to “manage” cancer care drug spending through centralized decision making and rationing
  - Prior authorizations
  - Formularies
  - “Fail-first” step therapy
  - Copayment tiers
- Largely focused on drugs, leaves out other drivers of cancer care costs
- Not patient-centric and not focused on value (quality delivered for the cost)

# Let's Look at Some Drivers of Drug Pricing

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- Health care consolidation
- Pharmacy Benefit Managers (PBMs)
- 340B Drug Pricing Program

# Cancer is Big Business!

HEALTH

## Big Pharma's Go-To Defense of So Doesn't Add Up

Just how expensive do prescription research?

AMA Journal of Ethics  
Illuminating the Art of Medicine

TIME

HOSPITALS

## The Profit Of Prestigious Cancer Care

Jun 21, 2019

Home World U.S. Politics Economy Business Tech Markets Opinion Life & Arts Real Estate WSJ Magazine

BUSINESS | HEALTH CARE | HEALTH

## General Atlantic Takes Majority Stake in OneOncology, a Startup for Running Cancer-Doctor Practices

\$200 million deal by private-equity firm is latest sign investors see opportunity in the health-services sector

corporatization of hospital systems

Pharmaceutical Middlemen, Not Patients, Profit Off New Cancer Treatments



Bill Ford, chief executive officer of General Atlantic. The private-equity firm earlier this year of chronically ill patients at their homes. PHOTO: VICTOR J. BLUE/BLOOMBERG NEWS

## Why Drug Giant Roche's \$1.9 Billion Deal to Buy Data Startup Flatiron Health Matters



ONE OF THE LARGEST PRIVATE PARTNERSHIPS  
MEET THE EDWARDS OF NOW.

are preventing some Americans from taking life-saving drugs. Just look more than 50% of patients with the highest out-of-pocket costs abandoned to only 10% of patients with the lowest costs, according to a recent

MAJOR INDICES	
S&P 500 (DOLLARS)	2,800
NASDAQ-100 (DOLLARS)	1,200
RUSSELL 2000 (DOLLARS)	1,800
DOW JONES INDUSTRIAL AVERAGE (DOLLARS)	2,500

These steep out-of-pocket prices are often thanks to the bloated middlemen who control the drug supply chain. These middlemen, known as pharmacy benefit managers (PBMs), burden patients with high drug costs. And they're ill-equipped to deliver the next generation of targeted therapies.

The supply chain is complex. Drug makers sell to patients. Instead, they sell to PBMs, which are hired by health plans. PBMs process the majority of prescriptions in America and decide what to pay.

more like corporate titans on the stock exchanges than the charities

# Health Care Consolidation

## As Health Care Changes, Insurers, Hospitals and Drugstores Team Up

By REED ABELESON NOV. 26, 2017

### Fed Up With Drug Companies, Hospitals Decide to Start Their Own

### Centene to partner with Ascension Catholic hospitals to make a Medicare Advantage

by Kimberly Leonard

### CVS-Aetna merger one step closer with sale of Medicare drug business

The divestiture of Aetna's Medicare Part D plans to WellCare may help resolve objections from U.S. antitrust regulators.

By Zachary Tracer September 28, 2018 at 10:26 AM



#### Trending Stories

- 1 10 HSA questions employers & employees ask
- 2 2019 Social Security COLA increase will be largest since 2011
- 3 Top 10 most puzzling financial terms for Americans
- 4 20 best US cities for retirement: 2018
- 5 20 worst US cities for retirement: 2018

### Amazon, Berkshire Hathaway and JPMorgan Team Up to Try to Disrupt Health Care

By NICK WINGFIELD, KATIE THOMAS and REED ABELESON JAN. 30, 2018



Employees at an Amazon warehouse in Florence, N.J. The company will join with JPMorgan Chase to try to improve health care. Bryan Anselmi for The New York Times

### Hearing Amazon's Footsteps, the Health Care Industry Shudders

By NICK WINGFIELD and KATIE THOMAS OCT. 27, 2017



The pharmacy market, with huge amounts of consumer spending and frustrating inefficiencies, could be attractive to Amazon. Mario Anzuino/Reuters

### Walmart-Hurricane care deal to v

### GM Cuts Different Type of Health-Care Deal

Auto maker aligns with Henry Ford Health System in an attempt to cut coverage costs and improve quality of care



### Companies moving to cut out middlemen and reduce drug prices for employees

Published: Aug 28, 2018 4:33 p.m. ET

By YANCHUN LIU

Many Americans could benefit from deeper drug discounts



The cost of drugs could soon fall for some Americans amid pressure on drugmakers to reduce prices.



# The Site of Cancer Care Matters

PROGNOSIS PROFITS

## Prices soar as hospitals dominate cancer market

AMES ALEXANDER, KAREN GARLOCH & JOSEPH NEEF - AMEXANDER@CHARLOTTEOBSERVER.COM  
KGARLOCH@CHARLOTTEOBSERVER.COM  
APRIL 22, 2015 12:14 AM, UPDATED APRIL 23, 2015 10:00 AM

HEALTH CARE > Posted 4:00 AM | Updated at 8:05 AM

### Across Maine, prices for the often staggeringly different

Low patient volumes and scarce competition among providers for health care in the U.S.

BY J. CRAIG ANDERSON STAFF WRITER

Share      



COSTS & SPENDING

By Zack Cooper, Stuart Craig, Martin Gaynor, Nir J. Harish, Harlan M. Krumholz, and John Van Reenen

## Hospital Prices Grew Substantially Faster Than Physician Prices For

The New York Times

THE NEW HEALTH CARE

### Hospital Mergers Improve Health? Evidence Shows the Opposite

The claim was that larger organizations would be able to harness economies of scale and offer better care.



By Austin Frakt

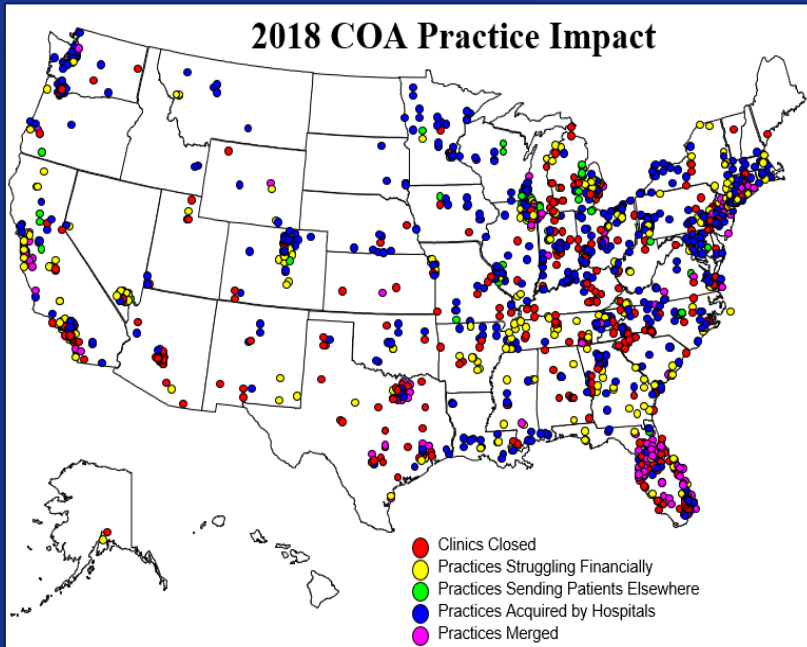
Feb. 11, 2019

Many things affect your health. Genetics. Lifestyle. Modern medicine. The environment in which you live and work.

But although we rarely consider it, the degree of competition among health care organizations does so as well.

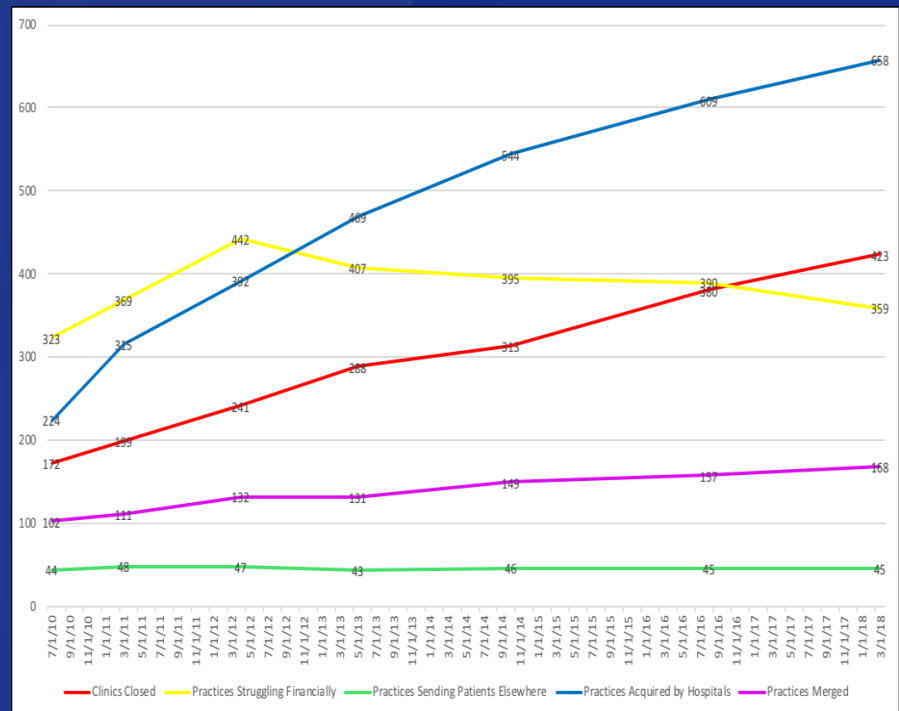
Markets for both hospitals and physicians have become more concentrated in recent years. Although higher prices are the consequences most often discussed, such consolidation can also result in worse health care. Studies show that rates of mortality and of major health setbacks grow when competition falls.

# Cancer Care Consolidating

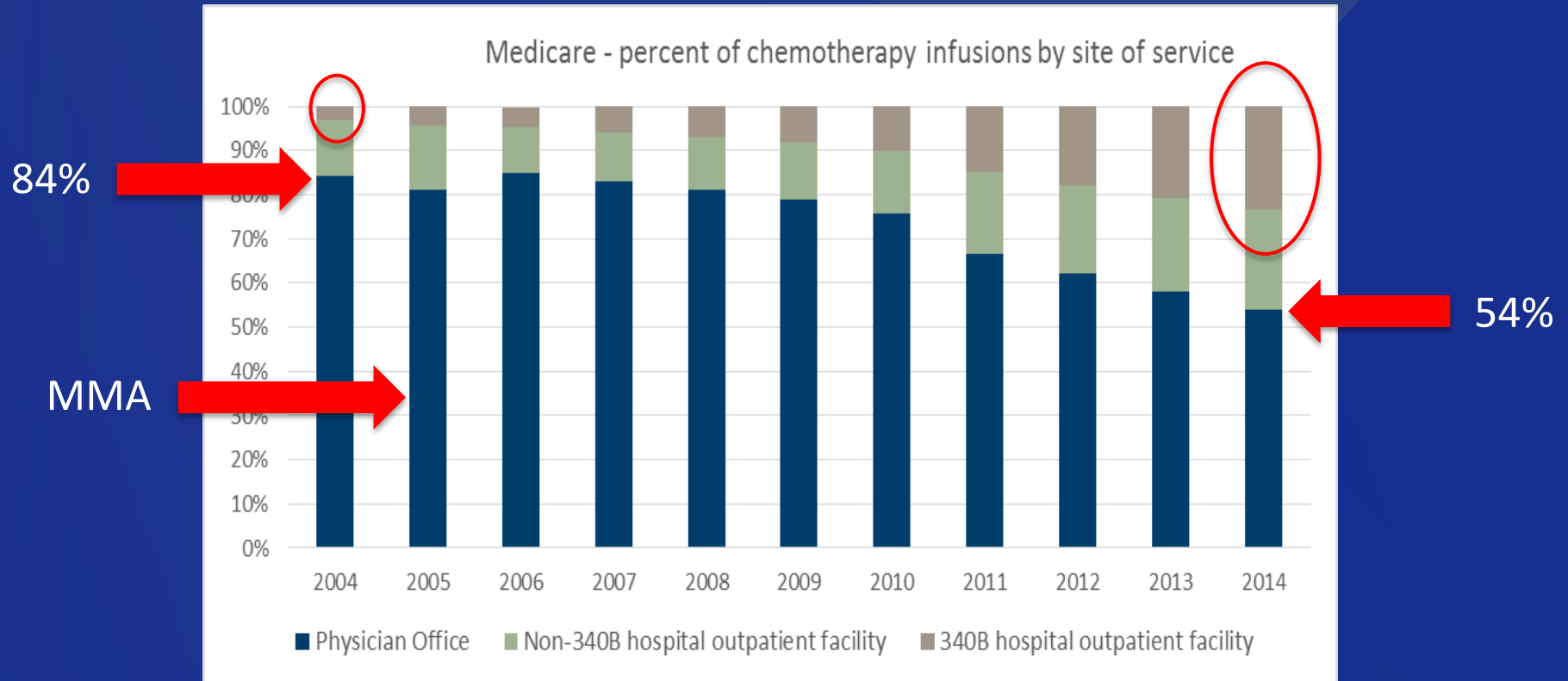


1,654 clinics and/or practices closed, acquired by hospitals, merged, report financial struggles from 2008-2018

- 11.3% increase in closings, 8% increase in consolidations since 2016 report
- Full report: [CommunityOncology.org](http://CommunityOncology.org)



# Shifting Site of Cancer Care Delivery



- Percent of chemotherapy administered in community oncology practices decreased from 84.2% to 54.1%
- Percent of chemotherapy administered in 340B hospitals increased from 3.0% to 23.1% (670% increase)
  - 340B hospitals account for 50.3% of all hospital outpatient chemotherapy administrations

Source: *Cost Drivers of Cancer Care: A Retrospective Analysis of Medicare and Commercially Insured Population Claim Data 2004-2014*, Milliman, April 2016

# The PBM Problem

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- PBMs have a vested interest to use the most profitable drug for them, even if it's the highest priced drug
  - Rebates are based on drug list prices (higher the better)
  - DIR fees (and similar pharmacy concessions) are based on drug list prices (the higher the better)
  - Documented increasing gap between list and true net drug prices
- Problem is that rebates (and pharmacy concessions) may not be passed onto payers and beneficiaries (paying off of list prices)
- PBMs increasingly narrowing networks and requiring use of corporate specialty/mail pharmacies
  - Delays, denials, mistakes & waste increasing

# The PBM Problem (continued)

PBMs driving up drug and insurance prices, critics say  
Pharmacy benefit managers under scrutiny for their role

HEALTH by CHRISTOPHER



Marion Bradley, 57, filling a prescription is the lead pharmacist and co-owner of Bradley's Pharmacy in Columbus, Ohio.

choose what drugs are covered, determine co-pays for members and decide how much

HEALTH

## Invisible Middlemen Are Slowing Down Health Care

Nurses spend 16 hours a week on paperwork, patients suffer as they wait

OLGA KHAZAN APR 9, 2019



## Drug middlemen name own prices, methodology goes unchallenged

BY MARTY SCHLADEN THE COLUMBUS DISPATCH  
June 10, 2019

Ohio Medicaid officials and their managed-care contractors say they lack transparency to an opaque drug-delivery system that in 2017 saw more than a 10 percent dollar markup to taxpayers. But none of them will address a system where they have to get to decide what drug prices are.

The profits of pharmacy middlemen — known as pharmacy benefit managers — have become a major issue in Ohio, other states and Congress during the past year. In 2018, the Department of Medicaid says it is undertaking major reforms. Its biggest contractor, Dayton-based CareSource, announced in April that it was leaving the state PBM and hiring Express Scripts to act in its place.

UnitedHealthcare Network Bulletin May 2019

[Table of Contents](#)

[Front & Center](#)

## Updates to Requirements for Specialty Medical Injectable Drugs for UnitedHealthcare Commercial and Community Plan

We're making some updates to our requirements for certain specialty medications for many of our UnitedHealthcare commercial and Community Plan members. These requirements are important to provide our members access to care that's medically appropriate as we work toward the Triple Aim of improving health care services, health outcomes and overall cost of care. These requirements will apply whether members are new to therapy or have already been receiving these medications.

### What's Changing for UnitedHealthcare Community Plan

**Spravato™** has been added to the [Review at Launch Drug List](#) for UnitedHealthcare Community Plan. This list is located at [https://www.uhc.com/healthcare-plans-protocols/community-medicaid-policies/medicaid-community-plan-policies.html](#) through the [Review at Launch](#) New Market Medications drug policy.

### What's Changing for UnitedHealthcare Commercial and Community Plan Members

#### Clinical Policy and Prior Authorization Updates

Effective July 1, 2019, our White Blood Cell Colony Stimulating Factors medical drug policy will be updated to include preferred product coverage criteria. Preferred product language will be added as follows:

- Use of Neulasta™ (pegfilgrastim) vial prior to the use of Fulphila™ and Udenyca™

In addition to the preferred product changes to the drug policy, UnitedHealthcare commercial plans will be expanding the current prior authorization requirements on these medications to include use for any diagnosis:

- Neulasta Onpro/Neulasta, Fulphila, and Udenyca currently require prior authorization when used to treat a cancer diagnosis.

- On July 1, 2019, for UnitedHealthcare commercial plans (including affiliated plans for Oxford, UMR and Neighborhood Health Partnership) use of these medications for all diagnoses will require prior authorization with this policy change.

- On Aug. 1, 2019, for UnitedHealthcare affiliate plans UnitedHealthcare of the Mid-Atlantic and UnitedHealthcare of the River Valley, use of these medications for all diagnoses will require prior authorization.

For both UnitedHealthcare commercial and Community Plan members, current authorizations will be honored through their end date. Upon authorization renewal, the updated policy will apply. Care providers are encouraged to begin using the preferred Colony Stimulating Factor products.

If you administer any of these medications without first completing the notification/prior authorization process, the claim may be denied. Members can't be billed for services denied due to failure to complete the notification/prior authorization process.

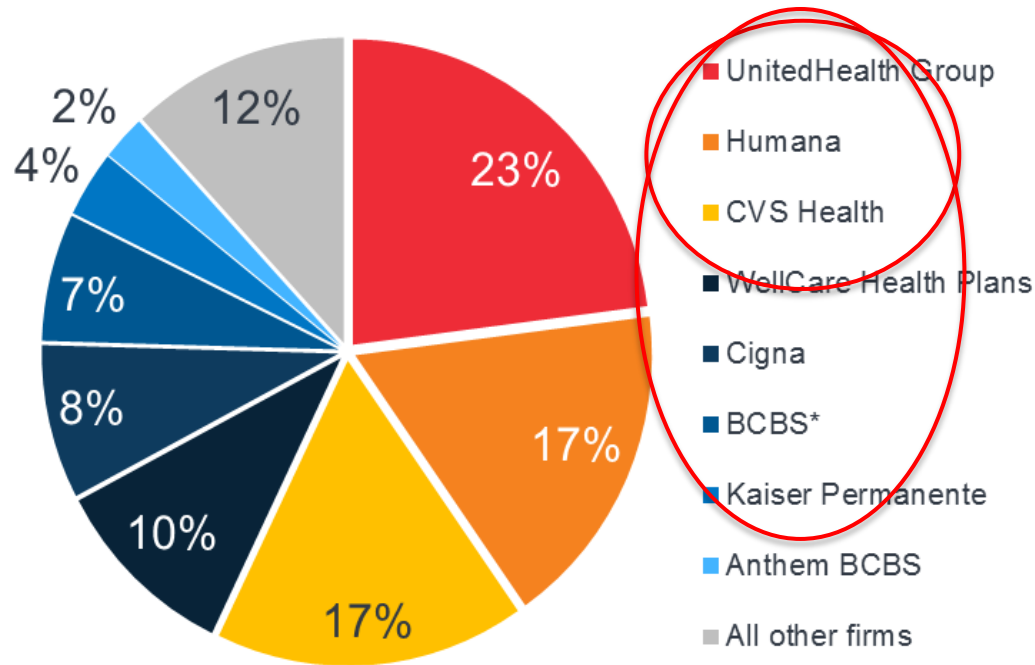
8 | For more information, call 877-842-3210 or visit [UHCprovider.com](#).

[PREV](#)

[NEXT](#)



# Consolidation in Medicare Part D



Total Part D Enrollment in 2019 = 44.9 million

- Three companies control almost 60% of Medicare Part D
- Six companies control over 80% of Part D

# PBMs Impacting Real Lives

LOCAL

## Cancer patients are being denied drugs, even with doctor prescriptions and good insurance

BY CARMEN GEORGE

AUGUST 02, 2019 06:40 AM, UPDATED AUGUST 02, 2019 06:40 AM



Cancer patient Norma Smith and husband Robert Smith are shown at Specialty Pharmacy in trying to secure proper medication for Norma.

Smith's story is "an example of how bad things can get" for cancer patients who require different medications than what pharmacy benefit managers consider standard protocol.

"My husband would call and be on the phone for five and six hours trying to advocate for me," Smith said, "trying to find out how he could work the system so he could get the needed drug for me so that I would live."

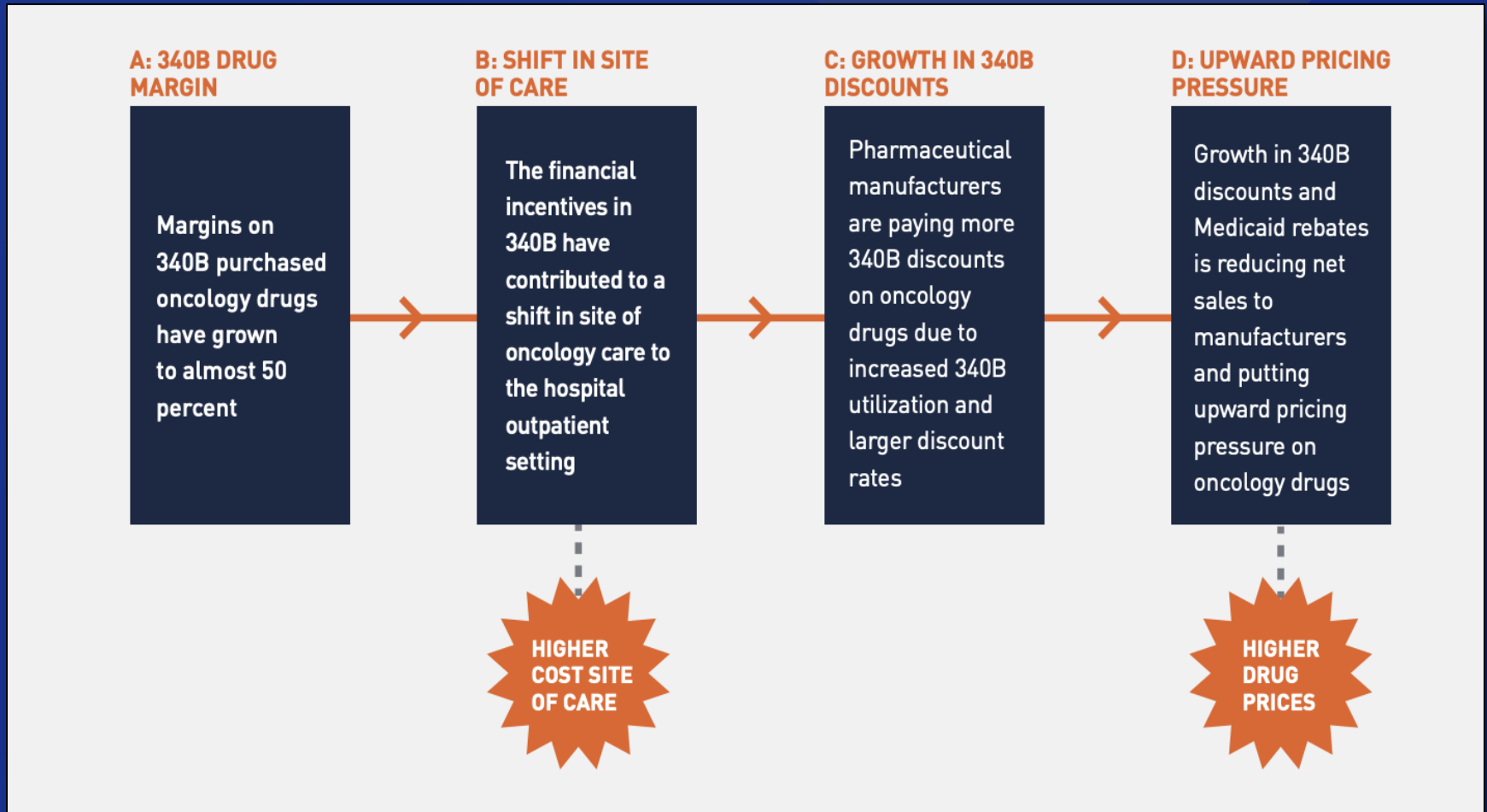
"I'm a human being. I'm not a used car. I have feelings. I'm a person. I want to live. I want to spend time with my grandchildren. I want to quilt. I want to do things. I want to live."

# The 340B Problem

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- About one-third of all outpatient volume for certain types of cancer treatments is now at 340B hospitals (2017 Berkely Research Group)
  - 30% of Medicare Part B reimbursements were at 340B hospitals in 2017 (2017 Berkely Research Group)
  - In 2017, 340B covered entities purchased more than \$19 billion in drugs, a 114% increase since 2014 (2017 Berkely Research Group)
- 340B discounts increasing in both scope and magnitude
  - Incentives for 340B hospitals to consolidate cancer care to the more expensive setting
    - Drives up the cost of cancer care
  - Pharma/bio companies' factor 340B discounts into launch prices
    - Discounts are so large in scope and magnitude that they fuel drug prices
  - Discounts don't typically get passed on to patients or shared with payers

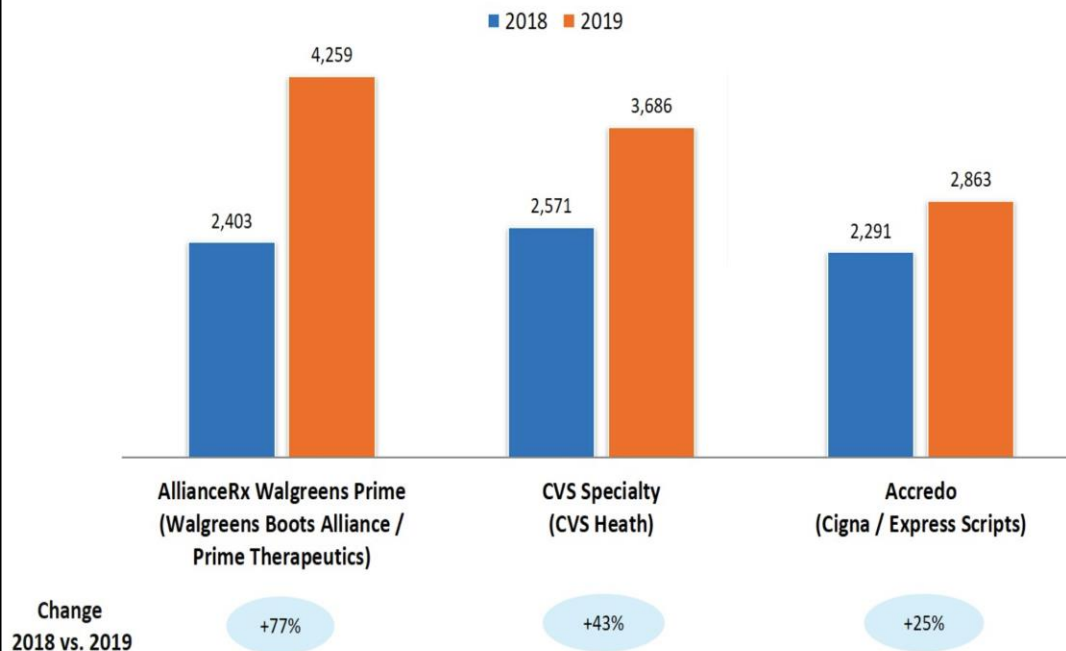
# 340B: Higher Cancer Care & Drug Costs



Source: *The Oncology Drug Marketplace: Trends in Discounting and Site of Care*, Berkeley Research Group, December 2017

# PBMs More Active in 340B Covered Entities

## Contract Pharmacy Relationships with 340B Covered Entities, by Specialty Pharmacy, 2018 vs. 2019

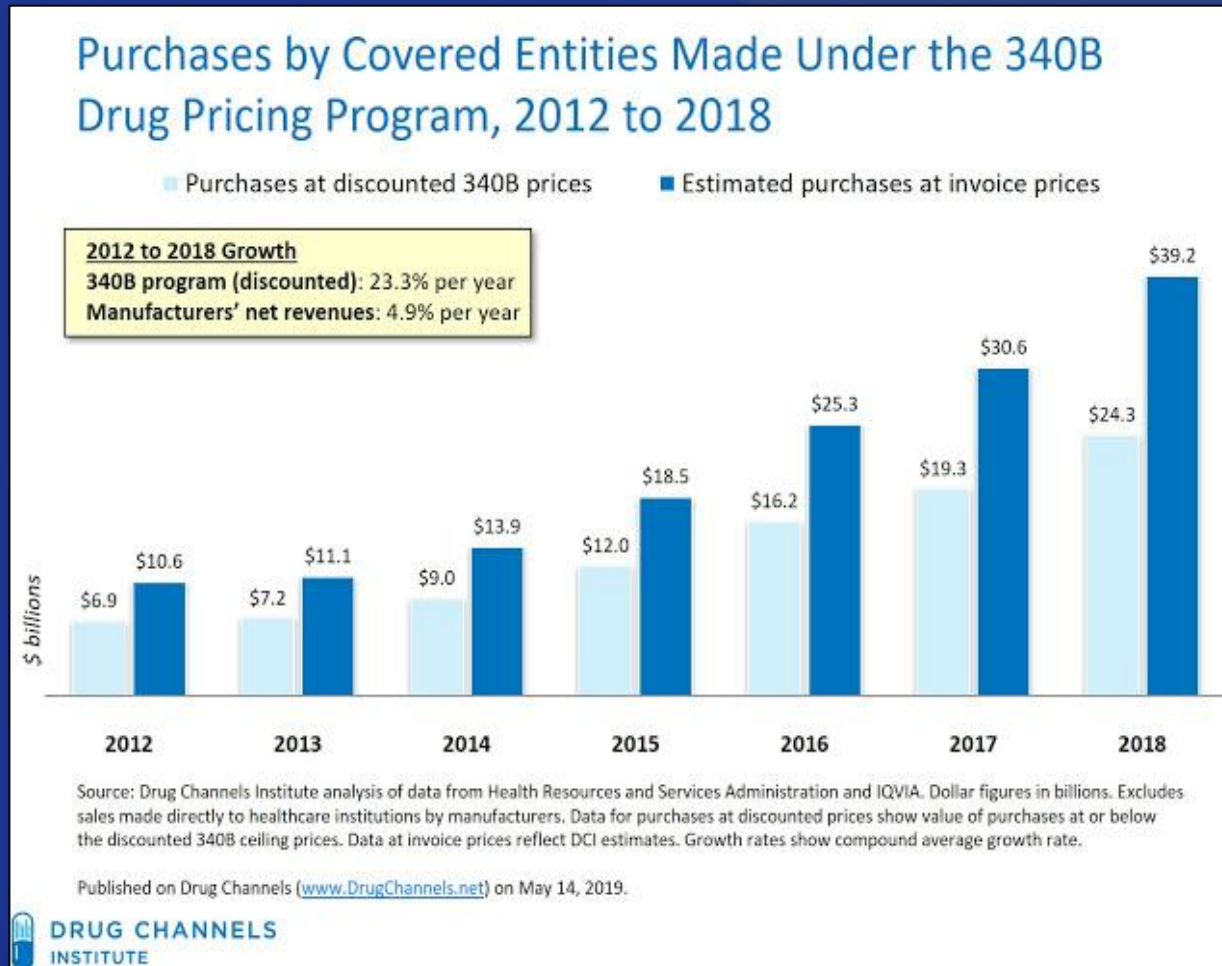


Source: Drug Channels Institute analysis of OPA Daily Contract Pharmacy Database. Data show number of contract pharmacy relationships as of July 1. AllianceRx Walgreens Prime figures include Cystic Fibrosis Foundation Pharmacy and Chroniscript. CVS Specialty figures include Caremark Specialty, Advanced Care Scripts, and selected ProCare locations

Published in *Drug Channels* ([www.DrugChannels.net](http://www.DrugChannels.net)) on August 1, 2019.



# 340B: Increasing Scope & Magnitude



Source: 340B Program Purchases Reach \$24.3 Billion—7+% of the Pharma Market—As Hospitals' Charity Care Fluctuates, Drug Channels, May 2019

# What Happens Overall in 2019?

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- PROBABLY NOTHING of substance in 2019!!!
- Likelihood of more bills relating to drug pricing/costs passing Congress
  - Not likely given the current environment and focus on impeachment
- There is increasing focus by Congress on PBMs
  - More bills coming but not clear what can pass
  - Think greater focus will be at the state level which could influence federal policy

*The closer we get to 2020 – a major election year  
Congress will likely grind to a halt*

# COA's Efforts

- Detailed meetings with CMS & HHS
  - Pushing back on IPI Model
  - Providing alternatives
- Working with Congress to fix PBM problems
- Suing the government over the sequester to drug reimbursement
- Working hard on oncology payment reform
- Only advocacy organization solely devoted to community based cancer care



# COA's Efforts (cont'd)

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- PBM Abuses Campaign ([www.PBMAbuses.org](http://www.PBMAbuses.org))
- OCM 2.0 CMMI demonstration project
- Continued advocacy on key issues
- Regularly scheduled Hill Days as well as ad hoc days when needed
- Creation of a standing Government Affairs and Policy Committee
- Creation of Position Statements to highlight COA's position on key issues - available on COA's website ([CommunityOncology.org](http://CommunityOncology.org))

# COA's Efforts (cont'd)

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- Comment letters on MPFS, HOPPS, Mandatory Radiation Oncology Payment Model
- Comments on “Patients over Paperwork” RFI
- Community Oncology Pharmacy Association (COPA)
- Continued Advocacy track through COA Patient Advocacy Network (CPAN)
- Senate Finance Committee Bill and patient assistance programs advocacy

# Thanks!

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- Mark E. Thompson, M.D.
  - Medical Director of Public Policy
  - Community Oncology Alliance (COA)
  - Cell: (614) 561-7972
  - Email: [mthompson@COAcancer.org](mailto:mthompson@COAcancer.org)
  - Web: [www.CommunityOncology.org](http://www.CommunityOncology.org)