Causes and Contributors Working Group

AG Lowering Pharmaceutical Prices Task Force

May 29, 2019

Present: Dr. Stephen Shondelmeyer; Dr. Leonard Snellman; Representative John Lesch; Rose Roach, Chair

Excused absence: Christy Kuehn

Legislative session review:

SF 278 – PBMs licensure, registration, oversight on business practices (currently no regulation of PBMs). Regulations include stopping PBMs from requiring patients use mail order to fill prescriptions when doing so is not necessarily cheaper; stops PBM's from requiring pharmacists to tell patients to pay cash instead of going through insurance. PBMs to report to the Commissioner of Commerce who oversees insurance. Includes requirements to breakdown revenue by how much the PBM keeps, how much do they rebate to the plan, to the state fund where applicable, to the patient. This is the first such legislation to regulate PBMs in the country.

Transparency, price monitoring, anti-price gouging did not pass nor did the insulin bills.

Majority Leader Gazelka has stated that he believes the insulin bills will likely be reconsidered in the 2020 session.

Structuring our work going forward:

The charge of our working group is to describe root causes and contributors to the high cost of pharmaceutical drugs. Most lawsuits against states who try to pass laws regulating Rx are filed on Constitutional grounds. The working group is asking the AGs office to give us a presentation on options for regulations to avoid Constitutional challenges. The AGs office will send the working group members the Maryland case so we can familiarize ourselves with one of the most prominent cases currently before the courts.

A list of possible invitees to help educate us on causes and contributors or to recommend to the entire Task Force as future guest speakers:

- 3M – pharmaceutical division – focus on markets: brand, generic, biologics; drug pricing in other countries – Dr. Schondelmeyer will contact. (Causes and Contributors Working Group)

- MN Health Action Group – Carolyn Pare – non-profit for large insured and self-insured employers in the State; interested in lowering drug prices (non-profit) – Dr. Schondelmeyer will get us the contact info or contact directly. (Causes and Contributors Working Group)
- Prime therapeutics, Pat Gleason – coupons, assistance programs. Dr. Schondelmeyer will reach out. (Causes and Contributors Working Group)
- HealthPartners – Dr. Snellman will reach out for a presentation on June 26th. (Causes and Contributors Working Group)
- Patent law attorney – AG's office, Rep. Lesch and Dr. Schondelmeyer will do outreach. (Causes and Contributors Working Group)
- Representation from the PhRma – one from each brand and generic companies. (Task Force)
- State plan – obstacles in purchasing – AGs office will contact. (Causes and Contributors Working Group)
- MN Multi-state purchasing group – department of administration – dynamic of the market. AG's office will contact. (Causes and Contributors Working Group)
- Chief pharmacy purchasing agent for the Mayo system – Dr. Schondelmeyer will contact. (Causes and Contributors Working Group)
- Representative from MN Medicaid/MA, CHIP, MNCare – impact on those programs – where do rebates go? AG's office will contact. (Causes and Contributors Working Group)
- Tribal entities – purchasing closer to VA/military prices; purchasing from Canada. Mille Lacs. AG's office to help identify testifier. (Causes and Contributors Working Group)
- Lee Pervis – AARP. (Task Force)

General discussion:

- Monopolies with assumed coverage of every drug on the market – how do you determine a price too far? We need a process for making that determination. Identify a few drugs as examples wherein the market didn't work at all in regards to pricing of the drug. Accountability on pricing and appropriateness of usage and availability.
- Optimal care for the rest of patient's life, this is what would've been spent on the patient over their lifespan but that's not a realistic measure and not what the cost would actually be so the Rx industry grossly overestimates savings for an extremely expensive drug. i.e. new $2M drug for SMA.
- Suggestion is to sponsor a "point/counterpoint" with the reasons the industry says they need to charge so much with the reality of why they actually don't.
- 1989 Oregon Medicaid Priorities system should be reviewed by working group members. AGs office will send us information. Dr. Snellman also sent a link for an overview of that system.

Recommendation for process to be used with invited speakers:

- Develop pre-designed questions
  - <mark>Dr. Schondelmeyer and Dr. Snellman will provide a first draft for Working Group members to review on each topic and speaker. Working Group members will then provide feedback on any questions or specific topics within the speaker's area of expertise that they would like to add to the pre-meeting speaker prep.</mark>
- Presentation that allows the speaker to provide their perspective
- Q&A from task force members

We are looking for guidance on how we coordinate with other working groups. Rose will reach out to the Task Force Chairs and Sadaf to recommend a meeting (via phone or in person) of the Task Force Chairs and the Working Group Chairs to discuss coordination as well as the agenda for the June 18, 2019 Task Force meeting (Rose to suggest guest speakers based on discussion at today's working group meeting).

Future meeting dates (time is always 5:00 – 7:00 pm, location TBD) and speakers to be contacted for attendance at meetings as follows (this will be flexible based on the availability of the speakers):

- Wednesday, June 26, 2019:
  - HealthPartners representative (Dr. Snellman to contact)
  - MN Medicaid/MNCare/CHIP program's representative (AG's office to contact)
- Wednesday, July 10, 2019:
  - MN Health Action Group, Carolyn Pare (Dr. Schondelmeyer to contact of provide contact info for AG's office to reach out)
  - Chief pharmacy purchasing agent for the Mayo system (Dr. Schondelmeyer to contact)
- Wednesday, July 24, 2019:
  - 3M – pharmaceutical division. (Dr. Schondelmeyer will contact).
  - Prime Therapeutics. (Dr. Schondelmeyer will contact).