

Advisory Task Force on Lowering Pharmaceutical Drug Prices Minutes of Sixth Meeting – November 19, 2019

The Advisory Task Force on Lowering Pharmaceutical Drug Prices met on November 19, 2019 from 5:30 to 7:30 p.m. The meeting was held at the Minnesota State Capitol, 75 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, MN 55155, Senate Committee Room G3.

Members present: Rose Roach, Dr. Leonard Snellman, Shirlynn LaChapelle, Christy Kuehn, Sen. Matt Little, Jessica Braun, Elo Alston, Dr. Stephen Schondelmeyer, Dr. Cody Wiberg, Sen. Scott Jensen (co-chair, via telephone), Rep. Rod Hamilton (via telephone)

Members absent: Nicole Smith-Holt (co-chair), Rep. John Lesch, Nazie Eftekhari, Phu Huynh

AGO staffers present: Sadaf Rahmani, Allison Hustedt, Jason Pleggenkuehle, Ben Velzen

Remarks by Representative Jeff Brand

Representative Jeff Brand presented the draft of a bill regarding an initiative called “MNinsulin.” Rep. Brand’s bill would have Minnesota make bulk negotiated purchases of insulin and sell the insulin to Minnesotans at lower rates through a state portal. Rep. Brand discussed that he initially envisioned the Minnesota Department of Human Services to oversee the initiative, but that the Minnesota Department of Administration may be more appropriate.

Rep. Brand and task force members discussed logistics of the initiative:

- How insulin will be purchased - directly from manufacturers?
- How the state will ensure that pharmacies distribute the insulin only for citizen use
- How the insulin will be stored
- How the initiative will be funded – one-time allocation through MNsure?
- Whether corresponding insulin supplies (e.g. syringes, alcohol swabs) will be included in the initiative
- How the insulin will be distributed to citizens – direct mail?
- How the initiative will address the need for education for insulin use, especially for those recently diagnosed with diabetes
- Current regulations that may prevent insulin from being distributed by entities other than licensed pharmacies
- How best this initiative can be applied within the current healthcare and distribution systems to avoid building an alternative system for each new initiative

Review and Comment on Sections I & II of the Final Report

The task force offered the following feedback regarding the first draft of the final report:

- Page 10: Discussion about the sentence “Patients often lack sufficient information or expertise to make fully-informed choices themselves about the drugs they use.”
 - It’s not that patients lack information to make decision, it’s that they *can’t* make their own decisions

- Patients can make their own decisions sometimes because of direct-to-consumer advertising of prescription drugs
 - “Shared decision making” is when patients are active participants in deciding what medications they will take (e.g. chemotherapy)
- Page 12: Incomplete sentence in last paragraph on page 12
- Page 14-15: Change “retail” drugs/pharmacy to “outpatient” drugs/pharmacy
 - Possibly include a discussion about the flow of money in this section
- Page 17: Include a graphic representation of these costs outpacing inflation
 - For example: The graph of insulin prices
- Page 18: The examples of high cost prescription drugs in this section seem obscure. For example, not everyone knows someone with spinal muscular atrophy, but everyone knows someone with multiple sclerosis.
 - Rep. Hamilton discussed a personal example of a high cost drug he uses – TYSABRI.
- Page 20-21: Include how prescription drugs costs are more expensive than hospitalizations in Minnesota now. Compare drugs prices in Minnesota to the median income.
- Page 23: Incorrect information about APIs in first sentence on top of page 23
- Page 24-25-26: Discussion about including a section prospectively about how Minnesota’s new legislation regarding PBMs will impact PBMs, for example, discuss if this will change the nature of PBM operation in the state.
 - Will transparency work? Transparency is necessary, not sufficient.
 - Add a comment at the end of the PBM section on page 26 along the lines of “this is a good modest first step, more is needed...”
- Page 26: Change “retail” pharmacies to “outpatient” pharmacies
- Page 27: Change title from “Physicians and Other Prescribers” to just “Prescribers” or “Authorized Prescribers” and then list physicians in the footnote. Each prescriber has a role in our health care system, the way it is worded seems too hierarchical.
 - Include note that veterinarians are prescribers, but just for animal use
 - Take out “psychiatrists” in footnote because they are physicians
 - Typo on page 27 – change “mediation” to “medication”
 - Typo on page 28 – change “proscribing” to “prescribing”
 - Should prior authorizations be discussed in this section?
- Page 28: Separate “insurers” from health plans and managed care firms because insurers take risks, but health plans and managed care firms do not necessarily.
 - People refer to these groups as “payers,” but this none of these entities put their own money into health care, it is paid for by consumers and taxpayers
- Page 29: Mention MNCare in government section
 - State that the government is a regulator, purchaser, payer, and provider simultaneously
- Page 30: Include that everyone needs and will use prescription drugs at some point in their life
- Page 35: When those patents are made on delivery mechanisms or something other than active ingredient, what happens to underlying patent?
 - Include information that patents are independent, do not run concurrent; most drugs these days have patent thickets on each drug

- Page 38: Give examples of 340B facilities in Minnesota
 - The Board of Pharmacy recently posted a webpage about the 340B program. The organizations are often referred to as “safety net programs.”
 - Include link to the Board of Pharmacy’s webpage in the footnotes
 - Discussion about the difficulty in understanding the 340B program
- Page 41: Reference previous listing of these examples foreshadowed earlier in report
- Page 46: Mention that Valeant changed its name to Bausch in the title of this section
- Page 48-49: Should this section speak to the impact on employers?
 - What is the average sponsored employer offering as a high deductible plan? Probably higher than IRS regulations as mentioned on page 49
 - Put something stronger in this section to reflect what people are hearing on the ground
 - Add information about “hiring to avoid incurring health care costs” on page 48
- Page 52: Add information about the number of pharmacies in Minnesota decreasing, approximately 50% decrease in past 10-15 years
 - Even pharmacy chains are closing in Minnesota – HealthPartners, Lunds & Byerlys, Shopko closed just this year
- Page 53: Include information about Minnesota’s Hmong population
 - Make distinction between “Somali” and “African American” Minnesotans

Public Testimonies

The task force opened the floor for members of the public to speak:

- Paul – HMOs should be audited by our Legislative Auditor.
- Diane – Has metastatic breast cancer. Requested that the report include cancer drug statistics because cancer is the leading cause of death in Minnesota.
- Natalie – Stage 4 cancer survivor. Last year her drugs cost \$243,000. We need a price structuring board to stop hyperinflation of drug pricing.
- Dawn - Passing insulin legislation should not be as difficult as it has been.
- Individual (did not provide name) – The task force should make a recommendation about importation of drugs from Europe or Canada pursuant to the recent FDA offer about importing drugs via a secure importation channels from outside the U.S.