

### Work Group #3: Past, Current, and Future Strategies

May 14, 2019, 5:30 p.m. - 7:00 p.m., MN State Capitol Room 317

Members Attending: Phu Huynh (PH), Jessica Braun (JB), Elo Alston (EA), Nazie Eftehkari (NE), Senator Scott Jensen (SJ)

Also present: Sadaf Rahmani, Ben Velzen, Jason Pleggenkuhle, Shawna Audette

Agenda reviewed. Two articles provided, one from OECD Health Policy Studies and one from WHO. Members asked for supportive materials to be sent several days in advance for review prior to meetings.

SJ: OECD report has subtitles with ideas of strategies

- p 91 fixed reimbursement in generation clusters
- p 92 reimbursement pricing in hospital prices
- p 93 out of pocket expenditures

**What are the various strategies MN could look at?** (Highlighted topics were discussed as most relevant to pursue.)

- EA: **Patent law**. Example: how does it apply to insulin? Old insulin gave peaks, but later analogs came out to work better. New insulin now has another patent. Do patients want to go back to old insulin?
  - SJ: What can the AGO do? Such as the Teva lawsuit.
  - 1: Extensions
  - 2: New patents, release price
  - 3: Price growth after release
  - 4: buyoffs
  - Question for Sadaf: What impact can a certain state make?
- NE: What if nations follow India, who “does not recognize” patents from other countries?
  - Can patent laws change to fewer years?
  - Does AGO have ability to “not recognize” the patent laws?
- EA: What is the difference between Canadian and US drugs?
  - SJ: Canadian has Rx drug affordability, and manufacturer must release to the commission who sets the price (??). **Price setting**. (\*Prescription Affordability Commission) Refer to NASH-P for more information.
    - A commission could regulate a ceiling, and monitor price increases
    - Similar to Xcel, they cannot set price, the Public Utility Commission sets it

- PH: Can the state **purchase early patent work**? (Insulin is hard, since it is biosimilars)
- SJ: Create a large importation plan, if not drugs, then the prices?
  - Refer back to 2003: Pawlenty importation laws for drugs from Canada.
  - Look for a state-based option.
  - NE: Haphazard option for transportation, but could be big difference.
  - **Import prices, but not import drugs**, i.e. average plus 10% of other countries prices.
- **Mass Importation**
  - Make a coalition of states? (Midwestern co-op?)
    - Use drug distributors (McK, ABC, Cardinal)
    - Can this follow a credit union break down, to make an Rx Union. Must begin with legislation that allows for the creation of a Rx Union.
- NE: **Shadow Pricing**
  - Making prices based off of competitor, rather than cost
  - 60 minutes clip gives background
  - While shadow pricing is not legal, it is difficult to prove until looking back later
- PH: **PBM Transparency**
  - More to come with the PBM licensure bill
- PH: **State manufacturing**
- NE: Force price transparency in pharmacies.
  - Current legislative bill to remove gag clause
- NE: Publicly funded drug discovery
  - NIH grant, etc. from public funds, then drug formula would be publicly owned, and bypass patent law
  - Would not help now, could help in future though

### Other Discussion

- EA: What is a “reasonable cost” that a patient should pay? What is the “reasonable cost” that a drug can increase?
- Quality Adjusted Life Year
  - Under 65, then \$150,000
  - Over 80 years, lower?

- Background readings:
  - Publications by Atul Gawande, an author hired by Birkshire Hathaway
  - “Choose Wisely” or “Choosing Wisely” for information on going beyond a living will

**Clarify data sources and resources, including human, we will need to accomplish our work**

- Dr. Schondelmeyer to come to future meeting
- DHS speaker, people who manage the state funding

**Set up working group meeting schedule**

- Meet next as Task Force June 18, then July 23
- Planning work group meetings: Tuesdays work best. Nazie would prefer teleconference options.
- Next scheduled meetings
  - July 16 at 4:00pm at Nazie’s employer in Bloomington
  - August 20 at 4:00pm at Nazie’s employer in Bloomington

Prior to next meeting, research for discussion the following topics: Shadow Pricing, Prescription Affordability Commission, Importation