

# NASHP Pharmacy Costs Workgroup

2016 Report on Prescription Drug Pricing

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# Project Background

- May 2016 Committee Charge Summarized:
  - Promoting greater transparency and capping prices
  - Attacking unfair trade practices
  - Expanding purchasing strategies
  - Examine state taxation of pharmaceutical companies
- Series of meetings through 2016 to understand market forces, describe problem
- Committee initial report issued October 2016

# Report Summary

## States and the Rising Cost of Pharmaceuticals: A Call to Action

- Released at NASHP annual health policy conference
- Describes impact of increasing Rx costs affecting state budgets for Medicaid, Corrections and employee health insurance
- Cost to public employers (2013): \$31 billion
- Cost to Medicaid (2014): \$27 billion
- Cost to state correctional departments (2011): \$8 billion

# Report Summary

- Strategies presented:
  - Increase drug price transparency
  - Create a public utility model to oversee drug prices
  - Bulk purchase drugs that protect public health
  - Utilize consumer protection laws
  - Re-Import affordable drugs from Canada
  - Change Medicaid to promote greater purchasing flexibility

# Report Summary

- Strategies presented (continued)
  - States become Pharmacy Benefit Managers (PBMs)
  - Pursue return on investment pricing
  - Ensure State participation in Medicare Part D through Employer Group Waiver Plans (EGWP)
  - Protect consumers against misleading marketing
  - Use shareholder activism to hold pharmaceutical companies accountable

# What's Happening Now?

- Model Law Drafts Reviewed
  - Reimportation
  - Transparency
- Comments on FDA guidance on Health Care Economic Information
- May 2017
  - Meeting to Begin Drafting RFPs for State Assistance Funding





**Questions?**

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# Thank you

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