

Health Policy Roundup: State Policy Analysis and Priorities

January 28, 2022

Sponsors



Join us online!



@AllHealthPolicy

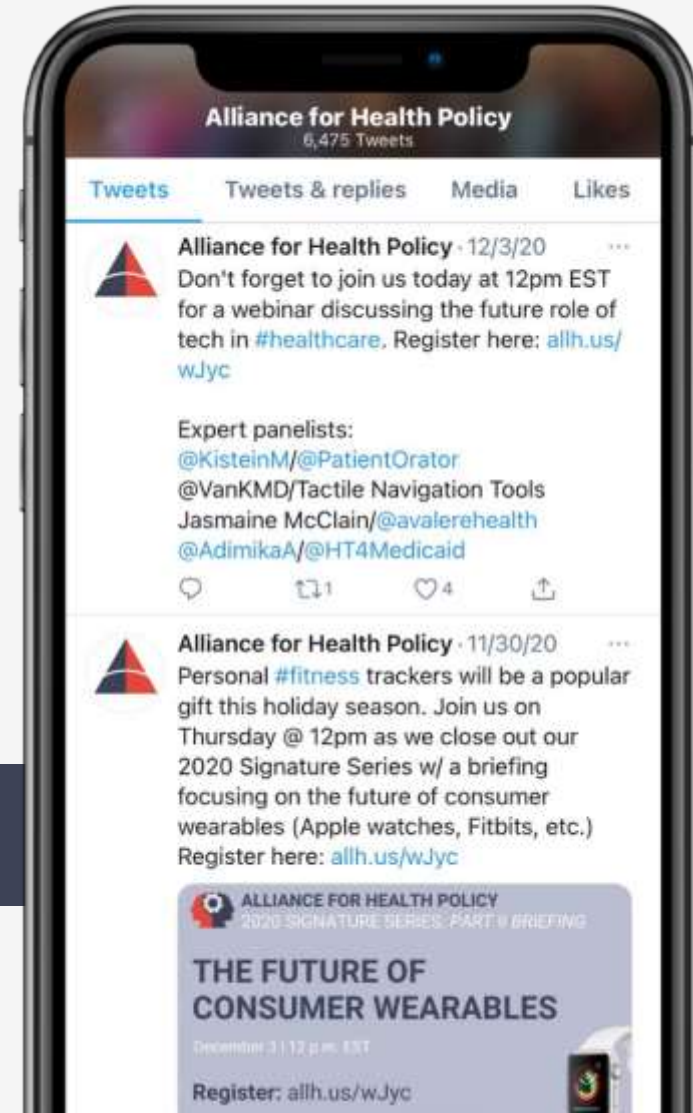


Alliance for Health Policy

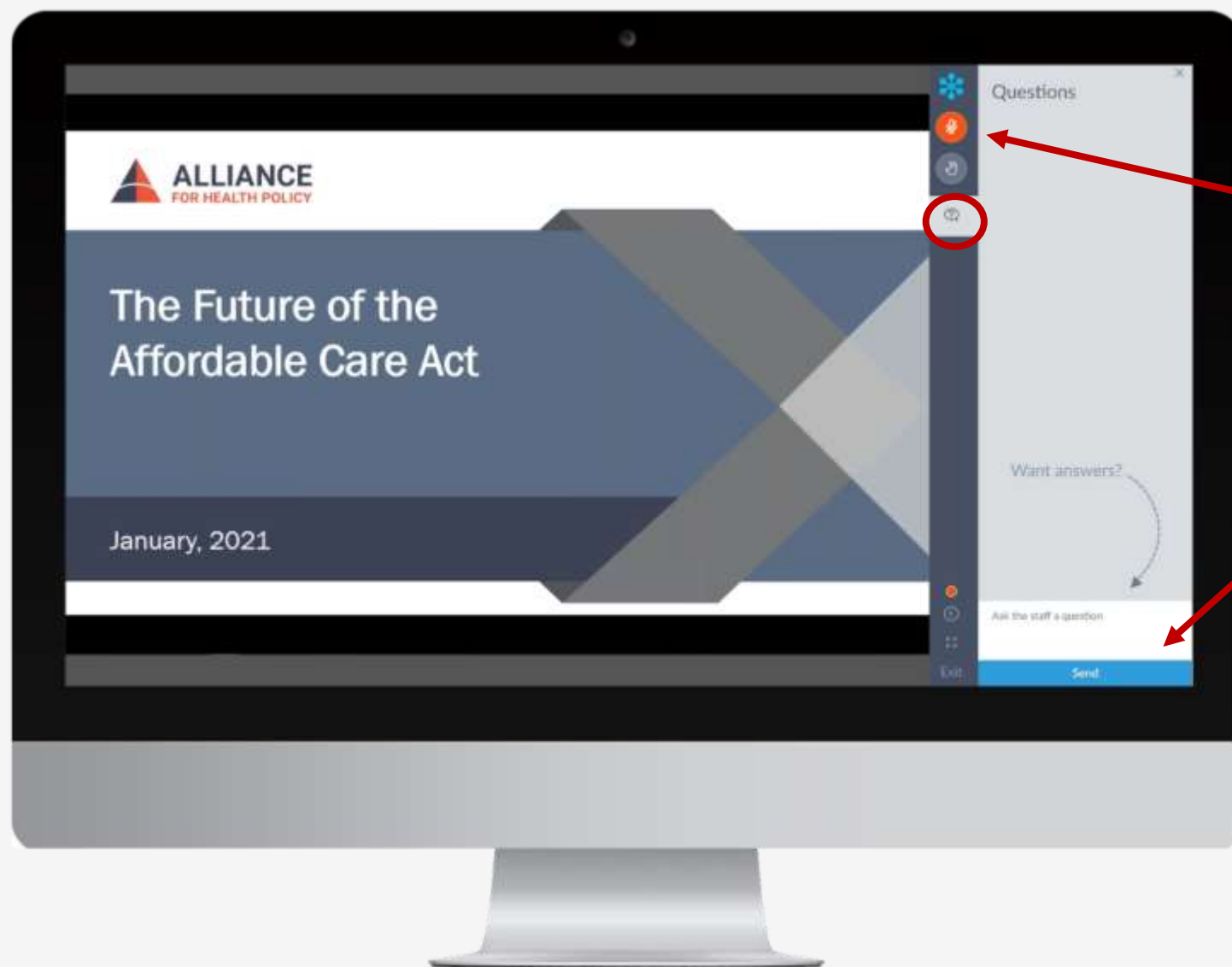


@AllianceforHealthPolicy

#AllHealthLive



Participating in the Webinar



To mute yourself, click the microphone icon. The icon will appear orange when muted.

To ask a question, click the ? icon and enter your question in the chat box below.





@Arnold_Ventures

Mark Miller, Ph.D.

Executive Vice President of Health Care
Arnold Ventures



Panelists



Maureen Hensley-Quinn, MPA

Senior Program Director of Coverage,
Cost and Value
National Academy for State Health Policy

 @NASHPhealth



Suzanne Delbanco, Ph.D., MPH

Executive Director
Catalyst for Payment Reform

 @CPR4healthcare | @SuzanneDelbanco



Colleen Becker, MPP

Senior Policy Specialist
National Conference of State Legislatures

 @NCSLorg



Stephanie Anthony, J.D., MPH

Senior Advisor
Manatt Health

 @ManattHealth



Mark E. Miller, Ph.D.

Executive Vice President of Health Care
Arnold Ventures

 @Arnold_Ventures

Moderator





@NASHPhealth

Maureen Hensley-Quinn, MPA

Senior Program Director of Coverage, Cost and Value
National Academy for State Health Policy



Health Policy Roundup: State Policy Analysis and Priorities Related to Cost

January 28, 2022



Snapshot of State Action on Rx Cost

Since 2017, legislation to address prescription drug costs has been **introduced** in all 50 states.

Since 2017, 49 states have **enacted** over 200 laws to address prescription drug costs.

Over past 2 years, there has been a focus on bolder policy actions to reduce prices

Drug Pricing Laws 2017-2021

| Year | 2017 | 2018 | 2019 | 2020 | 2021* | Total | In # of states |
|-----------------------------------|------|------|------|------|-------|-------|----------------|
| Number of States Enacting Laws | 13 | 28 | 37 | 17 | 22 | 49 | |
| Total Laws Enacted | 17 | 45 | 62 | 41 | 46 | 211 | |
| Pharmacy Benefit Manager | 7 | 32 | 32 | 20 | 20 | 111 | 46 |
| Transparency | 3 | 4 | 7 | 4 | 7 | 25 | 18 |
| Wholesale Importation from Canada | 0 | 1 | 4 | 2 | 1 | 8 | 6 |
| Affordability Review | 1 | 0 | 3 | 0 | 2 | 6 | 6 |
| Volume Purchasing | 0 | 0 | 2 | 0 | 0 | 2 | 2 |
| Coupons/Cost Sharing | 1 | 0 | 4 | 12 | 9 | 26 | 18 |
| Study | 0 | 1 | 5 | 1 | 2 | 9 | 7 |
| Other | 5 | 7 | 5 | 2 | 5 | 24 | 18 |

*As of October 14, 2021

Snapshot of State Strategies on Health Care Costs

| Policy Approach | Tools |
|--|--|
| 1. Gather data | <ul style="list-style-type: none">• All-payer claims databases• Enhanced hospital financial reporting and hospital cost tool |
| 2. Active state purchasing | <ul style="list-style-type: none">• Reference-based pricing for state employee health plans |
| 3. Mitigate consolidation and abuses of market power | <ul style="list-style-type: none">• Pre-transaction review and approval proposed transactions• Banning anticompetitive health insurance contract terms |
| 4. Oversee hospital cost growth | <ul style="list-style-type: none">• Health care cost growth benchmarks |
| 5. Limit hospital rates | <ul style="list-style-type: none">• Health insurance rate review – affordability standards• Limit outpatient facility fees• Public option• All-payer model, global hospital budgets |

Thank you!

NASHP's Rx Drug Pricing Resources: <https://www.nashp.org/policy/drug-pricing-center/>

NASHP's Health System Costs Resources: <https://www.nashp.org/policy/health-system-costs/>

Centers supported by Arnold Ventures

Contact information: Maureen Hensley-Quinn – mhq@nashp.org





@SuzanneDelbanco

Suzanne Delbanco, Ph.D., MPH

Executive Director

Catalyst for Payment Reform



A close-up photograph of a hand striking a matchstick, creating a bright, intense spark. The spark is a large, bright white and yellow burst of light, with many smaller sparks radiating outwards. The hand is in the foreground, and the matchstick is being struck against a dark, textured surface. The background is dark and out of focus.

Health Policy Roundup Alliance for Health Policy

Suzanne F. Delbanco, Ph.D.

sdelbanco@catalyze.org

Executive Director

January 28, 2022

About CPR

An independent non-profit corporation working to catalyze employers, public purchasers and others to implement strategies that produce higher-value health care and improve the functioning of the health care marketplace.

- 32BJ Health Fund
- Aircraft Gear Corporation
- Aon
- Arizona Health Care Cost Containment System (Medicaid)
- CalPERS
- Compassion International
- Covered California
- Equity Healthcare LLC
- General Motors
- Group Insurance Commission, MA
- Hilmar Cheese Company, Inc.
- The Home Depot
- Independent Colleges and Universities Benefits Association
- Mercer
- Miami University (Ohio)
- Ohio Medicaid
- OhioPERS
- Pennsylvania Employees Benefit Trust Fund
- Pitney Bowes
- Purdue University
- Qualcomm Incorporated
- San Francisco Health Service System
- Self-Insured Schools of California
- South Carolina Health & Human Services (Medicaid)
- State of Tennessee
- TennCare (Medicaid)
- UNITE HERE HEALTH
- Walmart Inc.
- Washington State Health Care Authority
- Willis Towers Watson

CPR's Goals & Tactics



Approaches to Cost Containment by Purchasers

These approaches have been tried in the commercial market by private employers and state employee and retiree agencies. Some of them have also been implemented by Medicaid agencies.



Photo credit JP Valery

- Benefit design: HDHPs, reference pricing
- Provider network design: narrow, tiered, high performance networks, center of excellence programs for specific services and procedures
- Direct contracting with health care systems
- Provider payment reform: Episode-based payment, shared savings, partial capitation to primary care providers, Medicare-based reference pricing

But is that Enough?



Photo credit: Markus Spiske

- Current market dynamics mean the playing field is not level – market forces have failed
- There is too little antitrust enforcement to address these imbalances alone
- Will purchasers just live with the angst or decide to support, or at least not oppose, policy intervention?

State Policy Interventions that Could Have Legs

Key policies could help to level the field, enhance competition on the right things (e.g. quality) and contain prices.



Some examples include:

- Rhode Island caps on increases in the prices health plans pay providers
- California's ban on gag clauses
- Massachusetts ban on payer-provider contract provisions that prohibit steering patients to particular providers or tiering providers as well as "most favored nation" clauses
- Oregon's Coordinated Care Organizations replacing traditional managed care plans

THANK YOU

Suzanne Delbanco, Ph.D.
Executive Director
sdelbanco@catalyze.org



Colleen Becker, MPP

Senior Policy Specialist

National Conference of State Legislatures





Prescription Drug Policy and State Actions

Colleen Becker, Senior Policy Specialist

Alliance for Health Policy, January 28, 2022

Prescription Drug Spending: Fast Facts

National

- 9-10% of national health care expenditures

States

- 5-10% of state Medicaid dollars spent on prescription drugs

Consumers

- Overall personal health care spending on prescription drugs averages 12-15%
- Average patient spend = \$1200/year

<https://www.ncsl.org/research/health/prescription-drug-statenet-database.aspx>

NCSL Prescription Drug Policy Tracking Database

- Search over **7,000** pieces of introduced and enacted legislation in 13 categories.
- More than **750 bills** tracked in 2021!

Statewide Prescription Drug State Bill Tracking Database | 2015–Present

10/1/2021



Welcome to the Prescription Drug State Bill Tracking Database!

Search approximately 7,000 pieces of passed, pending and failed legislation from 2015-2021 by state, year, topic, keyword, status, and/or primary sponsor. Topics include access, biologics and biosimilars, clinical trials and right-to-try, compounding pharmacy regulation, consumer cost-sharing, private insurance coverage, Medicaid coverage, pharmacy benefit manager (PBM) reform, pharmaceutical pricing, specialty drugs, prescription drug safety and errors, utilization management reform and others. For more information on the topics covered in the database, please [see the guide section](#) below the database.

Please note:

State Legislative Trends

States

- Alternative payment models (APMs)
 - Outcomes-based
 - Subscription-based
 - Spending targets/caps
- Bulk purchasing arrangements
- Drug importation
- Medicaid
 - Carve-ins/Carve-outs of pharmacy benefit in managed care contracts (MCOs)
 - Uniform preferred drug lists across MCOs

Consumers

- Insulin
 - Copayment limitations
 - Coverage for supplies
 - State-run patient assistance programs
- Copay accumulators
- Utilization management
 - Step-therapy
 - Non-medical switching
 - Prior authorization

State Legislative Trends

And More....

- Pharmacy benefit manager (PBM reform)
 - Requiring licensure/registration
 - Gag-clause prohibitions
 - Patient choice of pharmacy
 - Spread pricing prohibitions
 - Reverse auctions
- Prescription Drug Affordability Boards (PDABs)
- Price and cost transparency across supply chain
- Prohibitions on ‘excessive’ price increases

What can we expect in 2022?

- Most states, D.C. and territories in session
 - Approximately 120 bills in 25 states filed so far in 2022 and many more expected.
- Over 6,000 legislative seats up for election
- Federal government action/inaction

Colleen Becker, Senior Policy Specialist

Email: Colleen.Becker@ncsl.org

Phone: 303-856-1653



Stephanie Anthony, J.D., MPH

Senior Advisor
Manatt Health



We value your input!

Please fill out the evaluation survey you will receive immediately after this presentation, or via email this afternoon!



www.allhealthpolicy.org



Upcoming Event

FEB

4

Background on FDA User Fee Programs

12:00 pm ET – 1:30 pm ET

www.allhealthpolicy.org



Learn More

Additional resources available online »

- Full speaker bios
- Resources list
- Expert list
- Presentation slides
- Recording

www.allhealthpolicy.org



Thank you for attending.