

Specialty Drug Market Position *Overarching Healthcare Purchaser Statement*

Each healthcare purchaser (e.g. public and private employers) must address their goals related to population health, plan design, vendor contracting and overall strategy on a basis that is aligned with their culture, specific issues and realities. However, given the magnitude and growth of the specialty drug market, self-insured employers need to be fully engaged in specialty drug management and select vendors that will work more effectively as partners to understand and manage how specialty drugs are processed through both the medical and pharmacy benefit. Vendor contracting should be based on full transparency and accountability to eliminate waste, reduce the impact of middlemen, mitigate costs and lead to overall improved plan performance and member health.

Purchasers collectively believe that all stakeholders in the specialty drug supply chain must do their part to work toward the “5 Rights” of specialty drug management to achieve a sustainable high value marketplace. The structure below has been adapted from the “5 Rights” Specialty Pharmacy Framework developed by the Minnesota Health Action Group. It also presents highlights from some of our other distinctive purchaser coalitions’ efforts to define the future specialty drug marketplace. **We welcome a constructive dialog on how we can move this reality forward to control the cost, minimize the waste, and maximize the effectiveness of these valuable drugs.**

Stakeholder	Right Drug	Right Price	Right Place	Right Support	Right Data
Health Plans	<p>Ensure decisions are based on clinical efficacy and safety with an appropriate review process by condition or disease category to assure a holistic approach to member care.</p> <p>Cover genetic testing that supports improved assessment of correct drug,</p>	<p>Review drug formulary decisions based on clinical efficacy, price transparency and overall value including patient outcomes (not based on rebates).</p>	<p>Where services are available and differentiated, include highest value delivery vehicles as in-network option.</p> <p>Contract with providers to assure cost parity of all</p>	<p>Use high-quality evidence-based programs consistent with manufacturers’ recommendations for adherence and treatment that support the patient and the specific</p>	<p>Require submission of actual National Drug Codes (NDCs), in addition to Healthcare Common Procedure Codes (HCPCS), units, quantity and day’s supply by all providers, in all settings.</p> <p>https://www.drugs.com/ndc.html</p> <p>https://www.cms.gov/Medicare/Coding/MedHCPCSGenInfo/index.html?redirect=/medhcpcsgeninfo</p>

	<p>dose and duration of specialty drug treatment for the specific patient.</p> <p>Align total cost of care (TCOC) and accountable care organization (ACO) provider contracts so practitioners select and/or administer clinically appropriate high-value drugs.</p>	<p>Use NDCs (see Right Data column) for prior authorization, utilization management, payments, collection of rebates, claim-level reporting, data analysis, provider contracts, and patient outcomes.</p> <p>Align patient's financial responsibility with clinical efficacy, price transparency and overall value including patient outcomes (not based on rebates).</p>	<p>sites of care for the same drugs and services.</p> <p>Where there is persistent distinction in value, benefit differentials should be considered.</p>	<p>employer's strategy on population health.</p> <p>Involve employers in key decisions (e.g. additions to specialty drug list, pre-FDA approval pipeline management, dramatic drug price increases for under-the-radar drugs, excluded drugs, UM/PA criteria, formulary designation) that affect overall costs.</p>	<p>Data should be provided at little or no cost to the plan sponsor and in a mutually agreed upon timeframe that permits analysis and timely action.</p>
<p>Provider Organizations</p>	<p>Ensure decisions are based on clinical efficacy and safety with an appropriate review process by condition or disease category to assure a holistic approach to member care.</p> <p>Conduct testing for appropriateness of specialty drug treatment protocol.</p> <p>Adhere to correct dose and duration consistent with guidelines.</p> <p>Align TCOC/ACO contracts to include drugs so</p>	<p>Review drug formulary decisions based on clinical efficacy, price transparency and overall value including patient outcomes (not based on rebates).</p> <p>Use NDCs for prior authorization, utilization management, payment, collection of rebates, claim-level reporting, data analysis, provider</p>	<p>Include cost parity across all sites of care for the same drugs and services in all contracts.</p>	<p>Include best treatment guidelines or protocols for disease category.</p> <p>Ensure practitioners know drug prices (what employers and consumers pay) at the point of care to support use of high-value drugs.</p>	<p>Include actual NDCs (in addition to HCPCs), units, quantity and day's supply by all providers in all settings.</p> <p>Develop an understanding of when genetic testing is needed to determine the need for a specialty therapy.</p>

	practitioners select and/or administer high-value drugs.	contracts, and patient outcomes. Align patient's financial responsibility with clinical efficacy, price transparency and overall value including patient outcomes (not based on rebates).			
Pharmacy Benefit Managers	<p>Ensure decisions are based on clinical efficacy and safety with an appropriate review process by condition or disease category to assure a holistic approach to member care.</p> <p>Accept fiduciary responsibility (ERISA definition).</p> <p>https://www.dol.gov/general/topic/retirement/fiduciaryresp</p>	<p>Review drug formulary decisions based on clinical efficacy, price transparency and overall value including patient outcomes (not based on rebates).</p> <p>Ensure a level of financial transparency, so purchasers know exactly how their money is being spent.</p> <p>Align patient's financial responsibility with clinical efficacy, price transparency and overall value including patient outcomes (not based on rebates).</p>	Where services are available and differentiated, include highest quality/value delivery vehicles as in-network option.	<p>Use high-quality programs for adherence and treatment that support the patient and the specific employer's strategy on population health.</p> <p>Involve employers in key decisions that affect their overall health costs.</p>	Provide complete claim-level reporting, including all data fields, for employer ad hoc analysis at little or no cost.

<p>Specialty Pharmacies</p>	<p>Ensure decisions are based on clinical efficacy and safety with an appropriate review process by condition or disease category to assure a holistic approach to member care.</p> <p>Make operational processes and decisions on behalf of the purchaser, independent of the specialty pharmacy parent organization's financial interests.</p>	<p>Review drug formulary decisions based on clinical efficacy, price transparency and overall value including patient outcomes (not based on rebates).</p> <p>Ensure a level of financial transparency, so purchasers know exactly how their money is being spent.</p> <p>Align patient's financial responsibility with clinical efficacy, price transparency and overall value including patient outcomes (not based on rebates).</p>	<p>Where services are available and differentiated, include highest quality/value delivery vehicles as in-network option.</p>	<p>Ensure that high-level, timely clinical expertise supports provider decisions to use high-value drugs and achieve optimal outcomes.</p> <p>Provide patient education and support that includes timely instruction on drug administration and emotional and social support to increase adherence and improve outcomes.</p>	<p>Understand the need for genetic testing to ensure the need for a specialty medication and then that the correct medication is prescribed.</p>
<p>Manufacturers</p>	<p>Develop and implement value, performance, outcome-based pricing contracts when appropriate.</p> <p>Discontinue consumer coupon programs that encourage use of low-value, high-cost drugs in place of therapeutically equivalent.</p>	<p>Ensure that price increases over time do not exceed the Consumer Price Index (CPI).</p> <p>Future consideration towards direct contracting with manufacturers</p>		<p>Create model of financial transparency that assists purchasers in making value-based decisions.</p>	

		focused on outcomes and shared-risk.			
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