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RECENT EVENTS

LVBCH 41ST ANNUAL CONFERENCE: INNOVATIONS IN PHARMACY PANEL

A panel of pharmacy benefit experts updated employers on industry trends and provided suggestions to help reduce costs during LVBCH's 41st Annual Conference panel discussion, *Innovations in Pharmacy* on May 5. Jens Thorsen, Employee Health Benefits, Practice Leader, USI Insurance Services, moderated the discussion. Participating in the panel discussion were:

- MaryAnn Carlisle, Chief Operations Officer & Chief Revenue Officer, ELMCRx Solutions
- Renzo Luzzatti, President, US-Rx Care
- Nick Page, Chief Clinical & Strategy Officer, WellDyne
- Bill Patterson Senior Director, Express Scripts

Employers should be wary of discounts and rebates. Focus on quality and overall cost instead, Luzzatti said. Employers have to pay \$100 to get \$30 back in rebates so they can't discount their way into savings. Rebates create all kinds of perverse incentives. Prescription benefit managers (PBM) may place a higher cost drug on the formulary to meet guaranteed rebate thresholds. Discounting a higher cost drugs results in a bigger rebate but higher overall costs.

Patterson said that the primary way to deliver an affordable benefit is to ensure that the patient is using the optimal product and 90% of the time that is going to be the generic medication. Like other drugs, Patterson advised employers to adopt a tiered benefit approach for specialty ones (specialty generics, specialty preferred drugs, specialty non-preferred).

Page added that employers should make sure that the highest quality, lowest cost option is on the formulary. A few years ago when hepatitis medications were driving costs, many formularies included the most expensive product because it drove higher rebates, he said. In regard to gene therapy, make sure there is a very solid clinical reason for the prescription. Do not allow too much experimentation outside of what is known.

Carlisle added that step therapy is recommended. For example, rather than starting patients on maintenance doses, begin them on lower doses and take a second look to ensure the medication is having the intended effect. ELMCRx encourages PBMs to include biosimilars on formularies, which has a very positive cost benefit. Also, she advises employers to move the dispensing of medications from the medical benefit to the prescription benefit because it is significantly better managed.

Employers cannot continue to pay millions of dollars for prescription benefits. Extremely high cost, life-saving medications cannot reasonably be handled through traditional, self-funded employer plans. Many states are considering shared risk pools within the marketplace to cover the cost of some of the highest cost cases, such as gene therapies, similar to how the Catastrophic Loss Trust Fund (CAT Fund) covers victims of vehicular accidents victims.

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