

STATE AND PUBLIC SCHOOL
LIFE AND HEALTH INSURANCE BOARD
DRUG UTILIZATION EVALUATION COMMITTEE
MINUTES
April 16, 2003

The 29th meeting of the State and Public School Life and Health Insurance Board Drug Utilization Evaluation Committee (hereinafter called the Committee) met on Friday, April 16, 2003, at 9:30 a.m., in the First Floor Hearing Room of the Arkansas Insurance Dept.

Members Present

Preston Means, DFA
Sharon Dickerson, Executive Director, EBD
Susan Bumpas, RN, EBD
Diann Gwatney, AHTTD
Stephanie Gardner, Pharmacist
George Platt, EBD
Dee Moran, EBD
Kathy Hanlon, Rogers Schools
Sheila Weddington, SBS

Members Absent

Linda Scott, Supt., Stuttgart PS
Ray Turnage, Pharmacist
Marc Watts, ASEA

Others Present: Peggy D'Agostino, Employee Benefits Division, DF&A; Melanie Kennedy, Kendra Lofgren and Joe Golden AELRx; Cheryl Mokry, AdvancePCS.

1. Call To Order

The meeting was called to order by Dickerson.

2. Approval of Minutes

Scott made motion to approve minutes.

Gwatney seconded.

Motion approved.

3. Drug Reviews

Mokry presented the Drug Forteo to the Committee. Forteo is a new class of agents that stimulates bone formation rather than reducing the rate of bone turnover. It is a recombinant human parathyroid hormone that is self injectable. Recommended that it be put on second tier with prior authorization and

to 'grandfather' the two members who are taking the drug.

Platt made the motion to place Forteo on 2nd tier with prior authorization and to grandfather the members who are taking the drug now.

Hanlon seconded.

Motion approved.

Mokry presented the drug Serzone an antidepressant to the committee. She told the Committee that there is a "black box warning" concerning liver failure on this drug. She said the use of this drug is declining. She asked the committee if they wanted to move the drug to third tier and grandfather the 300 members that are taking the drug presently.

Platt made the motion to move Serzone to third tier and grandfather the existing members.

Scott seconded.

Motion approved.

4. Generic update

Mokry gave the Committee an update on generics. Novadex is now available in generic. Tamoxifen was MACed April 1. When a generic becomes available the branded drugs are moved to the 3rd tier. Adalat CC 40 mg has been moved to third tier. Accutane was also moved to 3rd Tier. Remeron and more strengths of Adderal is available generic.

5. AdvancePCS MAC Policy

Mokry presented the committee with a follow up analysis of AdvancePCS MAC vs. HCFA MAC. She took all the 2002 State and Public School employee's generic MAC claims and re-priced them using the HCFA MAC. There were 291 generic not MACed by HCFA. HCFA has 29 generic that is not MACed by the plan. APNO Mac saved the plan \$2.7 million. HCFA MAC was 29% higher. The average cost of HCFA was \$17.00 while the average cost on APNO was \$13.00.

Dickerson asked AdvancePCS if they could look at the data for Cardizem usage in the State since the State was eligible to be part of a lawsuit. The lawsuit was over the manufacturer paying off the generic manufacturer to not bring the generic to market.

6. Co-Insurance Modeling

Mokry presented several different scenarios for Co-insurance. The first scenario members paid 10% co-pay for Generics, 20% for Formulary and 40% for non-Formulary. With that scenario there was a difference for the plan with an overall loss of \$4,300,243.00, the second scenario presented members paid 20% co-pay for Generics, 40% for Formulary and 60% for Non-Formulary for that scenario the difference for the plan was a gain of \$754,705.00. The third scenario for Generics there was \$5.00 minimum or 10% co-pay, \$25.00 minimum or 20% co-pay for Formulary, \$50.00 minimum or 40% co-pay for Non-Formulary the plan gained \$739,885. Another scenario was a 40% co-pay with a minimum of \$10.00 and a maximum of \$50.00. There was a difference to the plan with a \$504,789 gain.

Dickerson was concerned over the members who were on high cost drugs.

Mokry said that Factor A was about \$16,000.00 a month and Imbrel is \$1,300.00 a month. She said that a cap could be put on the amount.

There was discussion concerning with out a stop-loss the cost of drugs would be devastating to the members.

Hartnedy asked Mokry about the difference in percentages for co-pays was needed.

Mokry said that there needed to be a spread between to maximize rebates.

Means expressed concern about losing money on generics since there were generic incentives in place. He asked how many other states were going to co-pays.

See said that Louisiana was her only client that had gone to co-insurance and it was not doing well, the trend was at about 18% and the per member/per month was not doing well either.

Lofgren said the trend is that organizations are asking members to take on more responsibility.

Moran said that the committee had moved some of the high cost drugs that were being discussed earlier to Specialty RX and the committee might need to look at moving more of the higher cost drugs to Specialty Rx.

Dickerson asked if the members had accepted the move without any problem.

Bumpas said that Specialty RX was member and service oriented and there were not any complaints.

Means asked if there was information on other groups that had moved to co-insurance to be able to look at what happened to the generic trend and what happened to the tiers.

The committee asked if they could get information on the impact of what happens when the plan changes to co-insurance.

Bumpas requested that Mokry bring some drugs to the committee next month that could be moved to Specialty Rx.

Platt made the statement that rarely in going with co-insurance there is a big chance that there would be a loss.

8. *Physician Connectivity*

See presented a product overview of Iscribe. It is a drug reference system for physicians to access on their computer or palm pilot. The information that would be accessible would include the formulary for the insurance plan. AdvancePCS is working with Blue Cross to enroll physicians into this product. If the physician uses this product it will help lower the prescription cost by assisting the physician to prescribe lower cost drugs. See was asking the committee for approval to put ASE/PSE Formulary onto Iscribe. They will target high prescribers and will bring reports back to the Committee and the Board. See said that the next step would be e-prescribing.

There was a brief discussion over the advantages and disadvantages of going to an electronic system and whether there were state laws restricting e-prescribing.

Hartnedy requested help in gathering information so that the proper steps could be taken in Legislature to implement something like this.

Platt made motion to grant access to the formulary for Iscribe.

Scott seconded.

Motion approved.

9. AELRX PBM Report

Golden presented the committee with AELRX's monthly report.

10. POS Audit

Kevin Johnson of Pharmacy Outcome Specialists presented the Audit results of Advance PCS. They audited calendar year 2001. They audited the contracted terms including eligibility, all transaction, and contractual pricing.

Dickerson said that they had been given an impossible task since there was no none central control. There are two eligibility systems, AASIS and Non-AASIS.

The results of EBD's audit to date shows \$188,574.72 in cost for transactions processed and paid for 1878 members whose eligibility should have been terminated. The money is being collected. Dickerson said that is an ongoing process to determine what is owed.

Hanlon requested the audit ahead of time so she could read through it.

Dickerson said that it would be discussed next time. She said that she would work with Advance and bring that information back to the Committee and Board.

Meeting Adjourned.