

**MEETING MINUTES:
MARKET OVERSIGHT AND TRANSPARENCY COMMITTEE**

Meeting of June 5, 2019

MASSACHUSETTS HEALTH POLICY COMMISSION

Market Oversight and Transparency Committee
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA

Docket: Wednesday, June 5, 9:30 AM

PROCEEDINGS

The Massachusetts Health Policy Commission's (HPC) Market Oversight and Transparency (MOAT) Committee held a meeting on Wednesday, June 5, 9:30 AM, at the HPC's offices, 50 Milk Street, 8th Floor, Boston, MA.

Members present included Dr. David Cutler (Chair); Mr. Richard Lord; Mr. Ron Mastrogiovanni; and Mr. Bryan Klepacki, designee for Secretary of Administration and Finance Michael Heffernan.

Undersecretary Lauren Peters, designee for Secretary of Health and Human Services Marylou Sudders, was also in attendance.

The meeting notice and agenda can be found [here](#).
The presentation from the meeting can be found [here](#).
A video of the meeting can be seen [here](#).

Dr. Cutler called the meeting to order at 9:33 AM. He welcomed members of the public to the meeting.

ITEM 1: APPROVAL OF MINUTES FROM THE FEBRUARY 27, 2019 MEETING

Dr. Cutler called for a motion to approve the minutes from the February 27, 2019 meeting. Mr. Lord motioned to approve the minutes. Mr. Mastrogiovanni seconded the motion. The minutes were approved with four votes in the affirmative.

Dr. Cutler turned the presentation over to Mr. David Seltz, Executive Director, who provided a brief outline of the day's agenda.

ITEM 2: REGISTRATION OF PROVIDER ORGANIZATIONS

Mr. Seltz introduced Mr. Thomas Hajj, Senior Policy Associate, and Ms. Elizabeth Reidy, Program Manager, Market Oversight and Transparency, who presented an overview of and updates to the Registration of Provider Organizations (RPO) program. For more information, see slides 6-28.

Mr. Lord said that he was impressed by the RPO staff's continual efforts to rethink the program in ways that minimized undue burdens on providers.

Dr. Cutler thanked the presenters.

ITEM 3: STUDY DESIGN: THE IMPACT OF PRESCRIPTION DRUG COUPONS, DISCOUNTS, AND OTHER PRODUCT VOUCHERS ON PHARMACEUTICAL SPENDING AND HEALTH CARE COSTS

Mr. Seltz introduced the presentation on the design of the HPC's study on prescription drug coupons. He turned the meeting over to Ms. Sara Sadownik, Deputy Director, and Ms. Yue Huang, Research Associate, Research and Cost Trends. For more information, see slides 30-36.

Dr. Cutler noted that, during the listening session on this topic, some testimony had suggested that coupons were not being used to lower overall medical spending, but to move some of that spending from earlier in the year to later in the year. He said that this function of spreading out payments should fall to insurance companies rather than individuals. He also suggested that the prevalence of coupons may be a sort of advertising technique from pharmaceutical companies to steer patients towards their products. He noted that co-payments for many specialty drugs had been increasing, which was placing pressure on patients. He said that, to the extent that coupons were shifting patient buying patterns to more expensive drugs, that it might make sense for drug companies to be required to provide an equivalent coupon for the insurers so that costs were being increased systemically.

ITEM 4: DATAPOINTS, ISSUE #12: CRACKING OPEN THE BLACK BOX OF PHARMACY BENEFIT MANAGERS

Mr. Seltz provided an introduction for the presentation on the HPC's pharmacy benefit managers (PBMs). Ms. Sadownik and Ms. Huang presented on the latest HPC DataPoints brief on PBMs. For more information, see slides 38-58.

Regarding the graphic on slide 50, Dr. Cutler asked whether rebates were contemplated in the analysis. Ms. Huang clarified that the drugs in question were generic so rebates did not apply.

Mr. Mastrogiovanni said that he found the lack of transparency in the PBM process to be unacceptable. He said that the findings demonstrated that organizations were taking advantage of this system in a way that hurt patients. Mr. Seltz thanked Mr. Mastrogiovanni for his comments. He noted that these findings raise many more questions than they answer and demonstrate the tremendous opacity of the flow of money in drug purchasing. He said that the Baker Administration was requiring Medicaid-managed care organizations (MCOs) and accountable care organizations (ACOs) to submit more information to the state on these contracts and that further policy steps could be taken to increase transparency in this process.

Dr. Cutler agreed with Mr. Mastrogiovanni's comments. Regarding slide 50, he asked if the total cost was greater for the MCOs than for fee-for-service (FFS). Ms. Sadownik said that staff had totaled the prices for a subset of drugs and found that, were that subset of drugs to have the same price for MCOs as for FFS, total spending would be higher. She said that it was important context to understand that FFS is higher due to a \$10 dispensing fee. She said that this fee was going directly to pharmacies while it is unclear where exactly the money is going with the MCO prices. She noted that the distribution represented on slide 50 was based on unique drugs whereas the total calculated was based on a weighted average. Dr. Cutler asked what the percentage savings would be were the state to implement a policy solution that mandated the MCO prices be brought down to the FFS levels. Ms. Sadownik said that this could be determined by looking at the top line numbers showing how much more the MCO prices were than FFS, but added that successfully implementing a proposal like that would require a great deal of transparency in the system. She said that staff could specifically look into these numbers.

Undersecretary Peters noted that the Executive Office of Health and Human Services (EOHHS) had issued a bulletin in April requesting that MassHealth entities provide further information on this topic. She said that the expectation was to have those reports by July and that this data could be helpful.

ITEM 5: KEY FINDINGS AND RECOMMENDATIONS: REVIEW OF THIRD PARTY SPECIALTY PHARMACY USE FOR CLINICIAN-ADMINISTERED DRUGS

Mr. Seltz provided an introduction for the presentation on the HPC's study of drug distribution channels. Ms. Sadownik presented on the key findings and recommendations from the study. For more information, see slides 60-75.

Mr. Seltz noted that staff hoped to issue this final report in the coming weeks.

ITEM 6: ADJOURNMENT

Dr. Cutler thanked the Committee and the staff. The meeting adjourned at 11:03 AM.