Pharmacy Benefit News

Issue # 288 | September 22nd, 2016

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FDA Panel Says No to Abuse Deterrent Opiate

A panel of outside advisers to the FDA voted against approving an opioid analgesic over concerns of overdosing. The recommendation follows comments from the health regulator's staff on Tuesday on likely errors in administering the experimental drug. The drug was designed as an abuse-deterrent fast-acting form of opioid analgesic oxycodone. This medication is among the first few drugs to be evaluated by the FDA for the efficacy of abuse-deterrent properties. The drug is designed to be taken every 4-6 hours on an empty stomach and the presence of food could cause inadequate pain control. Inadequate pain control could lead to patients taking more of the drug, the FDA staff had said.

Reuters (09/10/15)

Commentary:
It is interesting that the response to the opioid epidemic is to find abuse deterrent drugs rather than to change prescribing practices. This problem is man-made. Ultimately, the problem will be addressed by all members of the health care team educating patients and exercising legitimate clinical controls on prescribing and monitoring. The Attorney General has distributed a letter to health care professionals to assist with addressing the problem of the opioid epidemic. This is a problem that all health care professionals should be able to solve collaboratively.

Analytics at Work: A Real World Example

Specialty Claims Are Out of Control

We have several clients that come to us concerned by the high cost of their specialty medical and pharmacy claims. Their concern: How can we review our specialty claims for payment? What is a reasonable cost?

We provide these clients with a web-based Standardized Fee Schedule for Medical and Pharmacy claims, so they can find the information they need at a time most convenient for them.

Here's what they found:
1) Approximately 50% of their claims were denied as not approved for the submitted ICD9 code
2) Dosing was inconsistent with the max/min dosing for 10-20% of their claims

3) Quantities were inconsistent with benefit limits 40-50% of the time

With this web-based resource, they are able to submit their claims with the correct codes and pricing. It saves them time, money and frustrations.

Learn More

Insurers' Mergers Exposes Healthcare Industry Divide

What are the merits of mergers planned by four of the five biggest insurers in the United States? The insurers confronted this issue at a hearing of a House Judiciary subcommittee that is investigating competition in the industry. The question is how competition and price will be affected by mergers combining Aetna with Humana and Anthem with Cigna.

Daniel Durham, an executive vice president of America's Health Insurance Plans, told Congress that the consolidation could promote competition and benefit consumers, achieving economies of scale that reduce costs. The rationale was that insurers are trying to counter the "harmful impact of consolidation among hospitals and other health care providers" and what he called "monopoly pricing" by makers of some prescription drugs.

On the other hand, Thomas Greaney, an expert on health and antitrust law at St. Louis University, said he was skeptical. The American Hospital Association and the American Medical Association harshly criticized the proposed mergers. They cite that "the annual growth in hospital prices has been low and declining," adding that hospital clinics face competition from walk-in clinics at CVS, Walgreens, and Walmart stores.

New York Times (09/11/15) Pear, Robert

Commentary:
The fundamental reason to consolidate is to increase profits by driving out inefficiencies. The current environment of the Affordable Care Act (ACA) is that insurers are addressing the issues of individual insurance without the ability to deny coverage for pre-existing disease.

Besides consolidation, there appears to be a lack of innovation in insuring individuals without government subsidies such as the tax situation that allowed for the development of Blue Cross / Blue Shield organizations. Political and government issues need to address this problem. There are options on both sides of the political isle that could help.

Fundamentally, insurers need to address the problems of insuring individuals obeying the law of large numbers while providing premiums that allow for lower cost, low severity individual insurance, and higher cost, higher severity individual

PBMs Lose Iowa Lawsuit Against Drug Pricing Transparency

The Pharmaceutical Care Management Association (PCMA) filed suit to stop an Iowa law regarding transparency legislation related to generic drug pricing and reimbursement. PCMA filed a lawsuit challenging the legality of H.F. 2297, a bill passed unanimously by the Iowa state legislature. The law was enacted to address the lack of transparency among PBM corporations. The cost of many generic drugs has skyrocketed by 1,000%, but the plaintiffs argued that PBM corporations may wait months before they update reimbursement rates.

NCPA News Release (09/09/15)

Commentary:
This case is really an attempt by retail pharmacy to motivate states to regulate PBMs. The issue of PBM transparency attacks the spread models where PBMs or Health Plans do not publish their maximum allowable cost (MAC) fee schedules so that pharmacies know what they will be paid for generic medications. Many states, some public Health Plans and some Pharmacy Benefit Administrators (PBA) publish the MAC fee schedules to address this transparency issue. While some pharmacists aren't paid what they want, they do know the reimbursement so that they can address the problem as a purchasing issue.

Transparency is a major driver for pricing considerations. Price increases by manufacturers are currently on exhibit, but transparency covers all providers and vendors. We can expect that more states will enact PBM transparency laws, and all states as well as the federal government will stress transparency for all health care professionals, hospitals, insurers, Health Plans, and PBMs.

insurance. Mergers and insurance reform must go hand-in-hand.

JCode Calculator™

PRO PHARMA's JCode Calculator™ is a Specialty Injectables Pricing Web-based application designed exclusively for our clients to save time and money by:

- ***Standardizing Reimbursement Procedures***
- ***Eliminating Overpayments***
- ***Cutting Labor Costs***

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