

PRESCRIPTION DRUG AFFORDABILITY BOARD
House Office Building, Room 145
Monday, February 24, 2020
Minutes

Chairman Van Mitchell called the meeting to order at 2:02 p.m.

Board Members present:

Joseph Levy, PhD, Assistant Scientist, Health Policy and Management (Primary), Johns Hopkins Bloomberg School of Public Health;
Eberechukwu Onukwugha, MS, PhD, Associate Professor of Pharmaceutical Health Services Research, University of Maryland School of Pharmacy;
George Malouf, MD, ophthalmologist in private practice and University of Maryland Capitol Region Hospital;
Gerard Anderson, PhD, Professor, Health Policy and Management (Primary) Johns Hopkins Bloomberg School of Public Health

AGENDA ITEM 1.

Approval of minutes

Chairman Mitchell moved that the minutes be approved as submitted. Dr. George Malouf made motion to approve the minutes, which was seconded by Dr. Onukwugha and unanimously approved.

AGENDA ITEM 2.

Board Members Introduction

Chairman Mitchell provided an update on Board activity which included an introduction of Board members. He also introduced Jim Johnson, who is assisting the Board in developing budget and administrative processes. Mr. Johnson (DHMH, 35 years) provided a brief Bio on himself and discussed plans to set up the PDAB, including plans for one year and five year budget.

AGENDA ITEM 3.

Legislative Review

Chairman Mitchell provided an overview of pertinent legislation for the PDAB. SB669 (funding bill) will be heard in the Senate Finance Committee on March 4. The House version, HB1095 will be heard on March 5 in House Government Operations Committee (HGO) He noted that HB1100-Meetings/Legal Advisor and HB1150 PBM Marketplace Act, will both be heard in HGO on March 5, 2020. HB1150-Pharmacy Benefits Managers (PBMs) deals with Reverse Auction. The Chairman mentioned that a presentation will be given later in the meeting on Reverse Auction that was done in New Jersey.

Jeremy Baker, Senior Advisor to the House Speaker was available to answer questions regarding legislation.

ACTION: NO ACTION REQUIRED

AGENDA ITEM 4.

Review of Budget and Personnel

Ben Steffen, Executive Director of the Maryland Health Care Commission (MHCC) provided a brief update on MHCC's recent budget hearings in the House and Senate which included PDAB's funding. Mr. Steffen stated that neither had significant questions during the hearings. He noted that the allocation for the PDAB is \$200,000 for FY 2021.

Mr. Johnson provided a budget update. He explained that all five positions that have been approved, are not needed right away but that the funds will be available. The \$750,000 from the budget should suffice for 2021. The funds will cover five fulltime state positions including an Executive Director, Pharmacist, General Counsel and two administrative staff. Mr. Johnson stated that he expected the budget for 2022 to be \$800,000 but does not include legal costs, gathering of data, an IT system or back office costs, such as staff who will handle personnel and accounting issues, and procurement. A suggestion was made for Mr. Johnson to work with another agency in handling these issues.

While MHCC has generously provided initial funds for the Board (FY'2020 and '2021) a bill has been introduced in the legislature that would create a funding source for the Board. An analysis revealed there are 1400 entities licensed in the State of Maryland. An assessment fee is collected on manufacturers, pharmacy benefits managers (PBMs), health insurance carriers, and wholesale distributors.

An initial assessment would be less than \$1,000 annually or the maximum would be about \$1,400. There is cap of \$2 million. There is no limit on how much data is needed, up to \$ 2 million. Mr. Johnson stated that the Board will decide on the needs regarding data, look at the budget each year and also the cost. Funds for the assessments would be collected by Board staff that sends each accessed entity a letter with an invoice for an amount to be paid to the Comptroller which keep records for the Board.

A question was asked if a fulltime attorney were needed for the Board. Mr. Johnson responded that a full-time attorney will be needed to handle regulations and other matters. The Chairman said the position would be budgeted but may not be needed on a fulltime basis this year.

Mr. Steffen stated that the health occupations boards handle all the annual assessments which are added to the bi-annual licensure charge. He noted that funds due the MHCC are transferred to it. Mr. Steffen said that the Maryland Insurance Administration (MIA) assesses health insurance companies and HMOs. MIA provides MHCC with that list and then we assess and cover the funds directly with no involvement from the MIA, its preference, which will probably be the way for the PBMs to handle.

In its five year budget, the Board will be able to recoup enough revenue in the first year or two to pay MHCC back.

A Commissioner asked about assessing professional groups. Mr. Johnson stated professionals under the Maryland Pharmacy Board wholesaler distributors and manufactures are assessed but not pharmacists or physicians.

Current statute states Board members are eligible for travel reimbursement, for mileage, etc. Mr. Johnson provided forms to Board members to complete.

Mr. Steffen stated that last month MHCC posted an advertisement to hire a contractual employee for mid-level health policy analyst with a salary range between \$75,000 and \$95,000 that will support the Board until permanent staff is hired. MHCC has received about 28 applications, (February) no action taken yet. A diverse panel to score applications would be created by MHCC. Mr. Steffen recommended that MHCC personnel would score top candidates before sending their applications to the PDAB.

Chairman Mitchell asked if the Board was comfortable with MHCC staff scoring four, five applicants. He also asked if Board members would volunteer to serve on the panel, Commissioners Levy, Malouf and Onukwugha and Mr. Johnson at the Chair's request, agreed to serve on the panel. Mr. Steffen stated MHCC would move quickly on the applications.

Chairman mentioned that he had been in touch with DGS on location for space. The space will be strictly used for office space. The Board will continue meeting in the House or Senate. Mr. Johnson will be meeting with the Department and have an update at the next meeting. Hope to have a space by the end of July.

ACTION: MHCC will begin scoring applications for PDAB position

AGENDA ITEM 5.

PRESENTATION: CRISP-State Designated HIE Medications overview, Craig Behm, Maryland Executive Director, CRISP

Craig Behm provided the Board with a brief overview of CRISP.

He stated that CRISP is a non-profit State Designated Health Information Exchange, that has been around for about 10 years. It was created to assist with the flow of information between health care systems and is regulated by the Maryland Health Care Commission. The system is connected to all Maryland hospitals, some ambulatory services, skilled nursing centers, etc.

A Commissioner asked if (a medical professional) could log into CRISP to receive information on a patient's MRI and other procedures. Mr. Behm responded by stating that information on a patient's MRI is available on CRISP. However not all procedures are included.

CRISP uses core technology that matches patients which provides a lot of services with the data. A relevant program and pertinent to the Board is the prescription drug monitoring program. By law one has to opt out of this service. Similarly a prescriber or dispenser has a right to that data.

There are three different areas that medication information is available through CRISP. They include PDMP, Clinical Data feeds and Medicare and Medicaid claim forms.

The Chairman thanked Mr. Behm for his presentation.

ACTION: NO ACTION REQUIRED

AGENDA ITEM 6.

PRESENTATION: Usage of APCD to Monitoring Drug Prices overview, by Ken Trotman, MHCC Center Director

Ken Trotman, MHCC Center Director, provided an overview of the usage of APCD to Monitoring Drug Prices.

Maryland began collecting APCD Data in the late 1990s (1996). APCD components include Medical Care Data Base (MCDB)-claims for Maryland residents (under Maryland and non-Maryland contracts) and non-Residents (under Maryland Contract) with private/commercial health insurance coverage (state mandate) and Medicare and Medicaid claims data- public health insurance plans.

Commissioner Levy asked if he could discuss more with Mr. Trotman regarding state employee's coverage and more.

ACTION: Mr. Trotman will follow up with Commissioner Levy to answer additional questions

AGENDA ITEM 7.

PRESENTATION: Use of Reverse Auction Overview, by Mark Blum, Executive Director, America's Agenda: Health Care for All.

Mark Blum, Executive Director, America's Agenda: Health Care for All, provided a comprehensive overview of the non-profit health policy think tank. Mr. Blum discussed the organization's work in New Jersey using the PBM Reverse Auction. It was designed to reduce state spending on prescription drugs without relying on cuts to government employee prescription benefits. The strategy was adopted by New Jersey legislature and the Governor signed a law that would expedite State implementation in 2017 before expiration of the incumbent PBM contract.

The PBM Reverse Auction is projected to save about \$2 billion in prescriptive drug savings over a five year period between 2018 and 2022.

The Chair asks the Board to provide a letter of support for HB1150 PBM contract. The Board agreed. He thanked Mr. Blum for his presentation.

ACTION: NO ACTION REQUIRED

AGENDA ITEM 8.

Adjournment

Meeting adjourned at 3:45