



127 Washington Avenue, East Building, 3rd Floor, North Haven, CT 06473
Phone (203) 865-0587 Fax (203) 865-4997 www.csms.org

**Connecticut State Medical Society comment to the Connecticut Healthcare Cabinet regarding Draft
Recommendations on Pharmaceutical Costs
January 16, 2018**

Lieutenant Governor Wyman, Ms. Veltri, and members of the Connecticut Healthcare Cabinet, on behalf of the physicians and physicians in training of the Connecticut State Medical Society (CSMS) thank you for the opportunity to provide these comments to you today regarding draft recommendations on pharmaceutical costs. On a daily basis, physicians deal with exorbitant and seemingly arbitrary increases in pharmaceutical costs not only has healthcare providers attempting to provide the highest quality and most cost-effective care to their patients, but also as purchasers of health insurance, and consumers. They therefore have an acutely vested interest in efforts to control pharmaceutical costs. Overall, we believe the Cabinet has done a tremendous job in identifying and framing issues related to the pharmaceutical industry and presented mostly thoughtful and rational recommendations. We do, however wish to make several general comments on the proposals.

First, it is paramount that the industry be exposed to the same and a possibly greater level of transparency than currently exists in other sectors of the healthcare industry. Within this context, we offer that the most attainable and cost effective legislative priority from a budgetary perspective is to require a pass through of all negotiated prices to the consumer at point of sale. This alone would have the greatest financial benefit to consumers and shed greater light in the impact of discounts and rebates provided at multiple levels of the industry. We also agree that a significant step to ensuring transparency to health care purchasers and consumers comes in some form of the Cabinet's recommendation to require increased audit abilities and cooperation in such be Pharmacy Benefit Managers (PBMs). No longer should PBMs be allowed to hide as intermediaries of insurers.

As with the legislative priorities, we general support the administrative recommendations of the Cabinet. In particular, requiring greater and more specific information be provided to the Connecticut Insurance department (CID) is good and appropriate. This information provided to CID should ultimately, and timely be provided to purchasers and consumers.

We must provide hesitation and caution to the cabinet's recommendation requiring the State Innovation Model (SIM) to "explore what kind of mechanism should be employed" to increase physician conversations with patients about medication costs. The Cabinet references a study from the Society for Medical Decision Making indicating that only 30% of patient/provider conversations on certain medical conditions with high medication costs included a discussion of those costs. It is important to note, that as the patient/consumer is unaware of the ultimate cost of medications, physicians also are not privy the such information for the same reasons as their patients. While it is true that physicians

may have some indication that the market price of certain medications is costly, he/she has no access to the information related to costs to be borne by the patient through his/her specific pharmaceutical benefit design. Additionally, physicians have no way of knowing the price differential dependent on the patient's choice of pharmacy, the specific PBM, nor specific manufacturers. We add that some physicians who administer in office medications are reimbursed by insurers less than the actual cost to acquire the drug. Therefore, only when physicians have real-time access to accurate and point of sale costs would such conversations have any true meaning to the patient.

One final concern we must raise would be regarding the recommendation to require physicians publicly post already available information related to any relationships with drug manufacturers. Not only are physicians required to disclose and post more information and materials that almost any other industry, but the information in question is already readily available to the public and patients. Established Sunshine Laws and industry ethics standards have shed light and eliminated any previously established practices and relationships that might have impacted judgement or care. A more effective approach to ensuring that physicians have appropriate access to information regarding pharmaceuticals without fear of inappropriate influence would be the establishment of a robust academic detailing program in Connecticut supported by pharmaceutical manufacturers seeking to get educational materials into the hands of prescribers.

Thank you for the opportunity to provide these comments to you today and CSMS remains committed to working with the Cabinet, Legislature, and Administration to provide greater transparency within the industry and reduce dramatic increases in drug costs.