



The Puerto Rico Chamber of Commerce  
and El Nuevo Día invite present the...



PUERTO RICO  
**Health & Insurance**  
CONFERENCE 2017

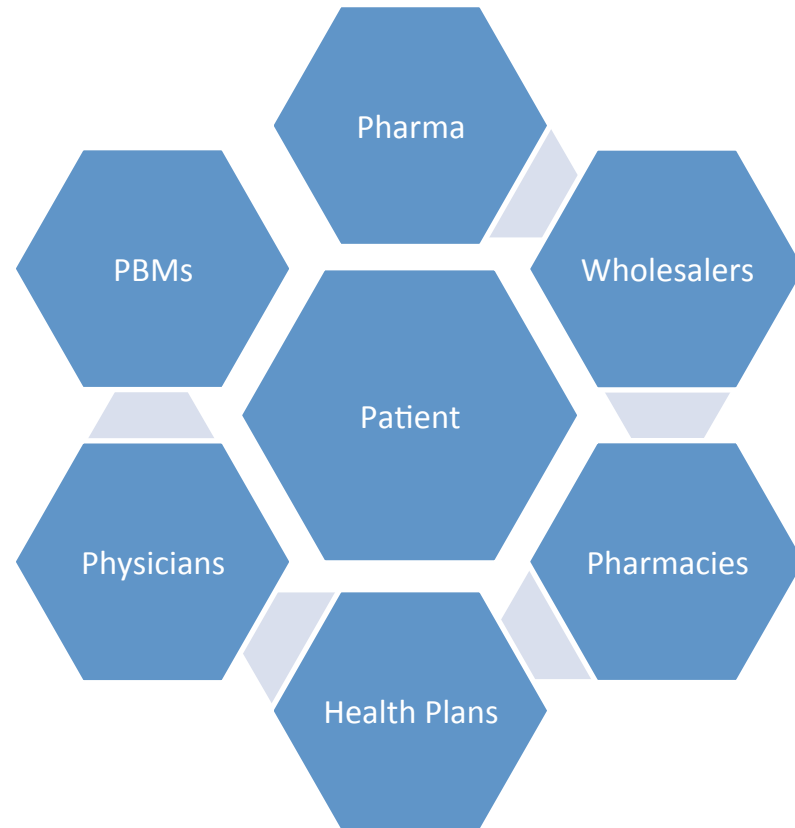


**Beyond ObamaCare: Evolution and Changes for Healthcare in Puerto Rico**

**Unveiling the Cost of Drug Prices –  
Manufacturing and Market Elements**

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COO  
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# PROGRAMS AND STRATEGIES



**ALL STAKEHOLDERS IN THE HEALTH SYSTEM ARE  
CRITICAL TO MANAGE COST OF TREATMENT**

MEDICARE

MEDICAID

**There is no  
one size fits  
all solution**

FEDERAL

COMMERCIAL

EMPLOYEES

# FEDERAL INITIATIVES

- ✓ New Government evaluation
  - On January 31, 2017 president Trump met with pharmaceutical companies and stated:
    - “We have to get prices down,” the President said in his public introduction “we have no choice.”
    - The president also said he would “increase competition through bidding wars” to lower prices, though he did not elaborate on this tactic during his remarks.
    - Trump said he will be “streamlining the process” so that companies do not have to wait years for a new product to be approved.
- ✓ Pharma Industry Companies Committing to Limit Price Increase
  - AbbVie
  - Allergan
  - Novo



# FEDERAL INITIATIVES

- ✓ CMS established the “Covered Outpatient Drug Rule”
  - AAC MODEL – Average Acquisition Cost By State
  - NADAC – National Average Drug Acquisition Cost
  - WAC – Wholesaler Acquisition Cost
  - AMP – Average Manufacturing Price
- ✓ The Medicare Payment Advisory Commission, Kaiser Family Foundation, and Congressional Budget Office have provided analyses about these different options.
  - These options include
    - restructuring the Part D benefit so that sponsors have more incentives and opportunities to lower costs
    - creating more transparency about drug pricing
    - promoting value-based options
    - and revising the law to allow the Government to negotiate prices for certain drugs



# FEDERAL INITIATIVES

- ✓ FDA to expedite the approval of new Biosimilar Drugs
  - **RA**
  - **CA**
- ✓ Federal Employees Health Benefits Program(FEEHB) is including the following requirements for 2018
  - Revise Drug Formularies – Evidence Based Formularies
  - Improve Health Outcomes While Managing Drug Costs
  - Innovative Proposals
    - ***Value-Based Insurance Designs (VBID)*** – encourage the use of high-value clinical services to impact enrollee health
    - ***Value - Based Contracting Strategies*** – clinical effectiveness or outcome of the drug
    - ***Coordination of specialty drugs between the medical and pharmacy benefit***



# LOCAL INITIATIVES AND OPPORTUNITIES

- ✓ Drug Formularies
  - Based on Net Cost of Treatment
  - Optimize drugs alternatives in each Therapeutic Class
- ✓ Benefit Designs
  - More Tiers 5-6
  - Change in Copays
  - Utilization Management Programs
- ✓ Case Management Programs – Specialty Drugs
  - Adherence
  - Clinical Interventions with savings guarantees
- ✓ Centers of Excellence for Catastrophic Conditions
- ✓ New Strategies to Negotiate with Pharma
- ✓ More Aggressive Fraud, Waste and Abuse Programs
  - Active monitoring





# Thank You

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