

Strategy for Pilot of Reference Pricing Pharmaceuticals by Therapeutic Class

Pension and Health Benefits Committee

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Agenda

- Background
- 2019 Pricing Strategy
- Analysis
- Member Experience
- Next Steps



2019 Pricing Strategy

- Reference Pricing provides transparency to members in drug options and pricing to lowest cost therapeutic alternative drug
- Members Choice
- Lowers or stabilizes CalPERS prescription drug costs

Analysis – Pilot Reference Pricing



- Nasal corticosteroids
- Thyroid medications
 - Estrogens



OptumRx/CalPERS
Collaboration



Member and
Plan Savings

Corticosteroid Example

Brand Drug – Patent protected, original product. Usually in the top two formulary tiers.

Brand

- Nasonex 50 mcg/spray
- \$123.70

Generic Drug – Contains the same active drug ingredient as Brand Drug.

Generic

- Mometasone 50 mcg/spray
- \$97.41

Therapeutic Equivalent – Contains a different active ingredient, but has the same effect in the treatment of a disease or condition.

Therapeutic
Equivalent

- Fluticasone propionate 50/mcg
- \$3.65

Member Options: Similar to CalPERS' Member Pays the Difference benefit

1
Ask their doctor to switch to a lower cost prescription

2
Ask their doctor to request a program exception for medical necessity

3
Continue to use their current prescription and pay the cost difference

Next Steps

