

Reference Pricing Pharmaceuticals by Therapeutic Class

Pension and Health Benefits Committee

Kathy Donneson

Chief, Health Plan Administration Division

Dr. Richard Sun

Medical Consultant II

Health Policy and Benefits Branch

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Agenda

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



2019 Pricing Strategy



Offers
lowest cost
therapeutic
alternative
drug



Gives
Members
Choice



Replaces
MPD and
eliminates
prior
authorization



Applies to:

- Nasal corticosteroids
- Thyroid
- Estrogens

Thyroid Drug Example

Brand Drug

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

Brand

Tirosint 50mcg
• \$109.19

Generic Drug

– Contains the same active drug ingredient as Brand Drug.

Generic

Levoxyl 50mcg
• \$9.15

Therapeutic Equivalent

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

Therapeutic
Equivalent

Levothyroxine 50mcg
• \$5.77

Member Choice

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 100% of drug cost

Success Criteria



Reduces cost to members and CalPERS health program



Maintains or increases member satisfaction and adherence to medicine

Next Steps



Approve for 2019 Plan Year

Member Communications & Engagement

Pharmacy and Prescriber Outreach

Monitor, Measure, and Periodic Updates