



At the intersection of business and health

Newsletter - April, 2024

PBMs - What's Next?

Managing pharmacy benefits wasn't always a big deal in American healthcare. In the era of "take two aspirin and call me in the morning," there weren't that many medications, and they weren't all that expensive. It wasn't that long ago that pharmacy benefit managers (PBMs) labored in relative obscurity. The industry has emerged from the shadows and managing the cost and delivery of pharmaceuticals is now center stage.

Congress swung into action last year with three bills introduced in the Senate that would increase oversight and regulation of the industry in a number of different ways. In December 2023, by a large bipartisan majority, the House passed a healthcare policy bill that included provisions that would ban spread pricing and impose disclosure requirements on PBMs.

These legislative moves occurred after the Federal Trade Commission (FTC) launched an investigation of the industry in 2022 and then, in 2023, withdrew previous guidance that was favorable to PBMs.

Meanwhile, intra-industry tensions between the three largest PBMs — CVS Caremark, Optum Rx and Express Scripts, the trade association they belong to, (Pharmaceutical Care Management Association (PCMA), plus a cadre of smaller PBMs that bill themselves as transparent alternatives, came to a head. Six of the smaller PBMs launched an alternative trade group, Transparency-Rx, in September 2023. They organized around the idea that the drug pricing model is broken and there needs to be new and innovative solutions to fix it.

Closer to home: PMCA challenged an Oklahoma law limiting the ability for plans to have differential cost-share for in-network pharmacies and prohibited mail-order only pharmacy benefits. An appeals court found the law to be preempted by ERISA. Insurance Commissioner Mulready has until May 10th to appeal to the Supreme Court.

Why should employers care about the transparency and legislation around PBM's? Pharmacy spend is a big part of health plan budgets. You may never question drug costs in your plan, but you should know how this part of the industry works and how it's changing. PBM's are still an opaque necessity. Legislation may not be the optimum way to solve all the issues, but it may help by promoting transparency, cost controls and accountability.

Find Out More

News You Can Use

Healthcare Cyberattacks

Change Healthcare, a business unit of the Minnesota-based insurance giant UnitedHealth Group, controls a digital network so vast it processes nearly 1 in 3 U.S. patient records each year. The network is a critical conduit for shuttling information between most of the nation's insurance companies and medical providers, who submit claims through it to get paid for treating patients. The [cyberattack](#) on UnitedHealth Group's Change Healthcare took its payer and pharmacy applications [offline](#) in the February hack. This has caused disruptions across a wide swath of the industry and isn't fully resolved.

UnitedHealth is a behemoth in the industry. No question why they were targeted, but they probably have more resources than most to prevent and recover. (A reported \$99.8 [billion](#) in revenues for the 1st quarter). They have admitted they paid a ransom to the Change Healthcare cyberattackers to protect patient information saying, "A ransom was paid as part of the company's commitment to do all it could to protect patient data from disclosure." The company did not disclose the amount paid.

Round two: A cybercriminal gang called RansomHub claims to be selling highly sensitive patient information stolen from Change Healthcare following the ransomware attack by *BlackCat* in February. Control of the data has shifted, (maybe), and a second ransom is demanded to keep the information secure....where does it end?

Healthcare hacking has become big business, and not only in the claims processing sector. Hospitals have become a favorite target - including some in Oklahoma. As more and more hospitals and medical practices become linked together, these hacks can have a very broad impact, and recovery is complicated.

NOTE: This breach has effected our local health delivery partners.

Source: Becker's Health IT; Healthleaders, Wired

The Ransom Was Paid

Change Cyber Attack - Physicians Not Paid

The Second Ransom



Hypertension: The Deadliest, Most Neglected Pandemic of our Time

Hypertension, the “silent killer,” is the [deadliest but most neglected and widespread](#) pandemic of our time, killing more than 10 million people a year worldwide. Employers play an important role in helping employees and their families get back to basics, including health screening, monitoring, medication checks, and immunizations. Supporting and offering easy access to blood pressure checks is a great way to help people monitor their own health.

Drugs that treat high blood pressure cost **5,000 times less** than obesity drugs, which are leaning towards cardiac therapies, and are better at preventing heart attacks and strokes. Lowering blood pressure reduces the likelihood of heart attack, heart failure, stroke and death by 30-40%. Unfortunately, only **1 in 5** people who need these medications get them.

The Summer Sun - Understanding Melanoma

Acknowledging that the sun effects human skin is a first step in avoiding skin cancer. The most common types of skin cancer are basal cell and squamous cell carcinoma. These are nonmelanoma skin cancers which rarely spread to other parts of the body. Melanoma is not as common, but it's the bad guy - the worst form of skin cancer, and it can be deadly.

This is a great time to remind everyone to be aware of their time in the sun. That tan looks great, but in the long run there may be a high price to pay. The consequence of not taking precautions, like using the easy to buy/easy to apply sun screens, could result in a melanoma. Prevention is far easier to manage. Nobody wants a cancer diagnosis.

[Understanding High Blood Pressure](#)

[Learn About Melanoma](#)

Advocacy

LEGISLATIVE UPDATES

[HB 3376](#) Adjusts various enforcement provisions and rulemaking authorities of the Attorney General relating to the Patient’s Right to Pharmacy Choice

Act. The bill has been amended to ensure employers are exempt from certain unnecessary regulations when managing their health plans. It passed off the Senate floor and heads back to the House for acceptance of amendments.

[HB 3190](#) Creates the *Ensuring Transparency in Prior Authorization Act*. The bill sets standards and guidelines for how prior authorizations can be used by health insurance plans and health care providers. The Senate passed the bill in committee and it's now eligible to be heard on the floor.

New Federal Portal Urges Public To Report Healthcare Anticompetitive Practices

Complaints reported through [HealthyCompetition.gov](#) will be reviewed by regulators and if they raise sufficient concerns they will be subjected to further investigation. Ultimately, the action could lead to a formal investigation.

The portal is the latest initiative advanced by the FTC, DOJ and HHS, which are seeking input on how private-equity and corporate control of healthcare is affecting public health.

Did you know: In Oklahoma, it's a felony to knowingly spread disease. ([Follow HB 3098](#))

[Read More About HealthCompetition.gov](#)



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