



At the intersection of business and health

Migraines The Biggest Employee Health Issue You Didn't Know You Had

Learn More. New generation drugs can cost as much as \$1,000 per month.

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October 2, 2024
12:00 pm - 1:00 pm CST
VIRTUAL ONLY

Apologies! Our Link Broke - If you registered previously, please register again!

Prescription Rebate Guarantees: Are Employers Truly Engaged?

A July 2024 study by the National Pharmaceutical Council examined employers' understanding of rebate guarantees, shedding light on the role employers play in perpetuating reliance on guaranteed rebate arrangements. These arrangements between Pharmacy Benefit Managers (PBMs) and employers (via Brokers/Consultants), have become common place, with employers receiving money through rebates on traditional or specialty medicines.

The research illustrates the significant role that Consultants and Brokers play in selecting PBMs, with nearly 60% of employers indicating that these were the most influential individuals or groups in their rebate strategy during PBM selection. (*Read the full study below*). Key takeaways:

- The common occurrence of rebate guarantees raises concern that these guarantees **may cloud employer visibility into the actual net prices of drugs, resulting in the inclusion of higher-cost products in the formulary and higher overall pharmacy costs.**
- Brokers/Benefits Consultants were the most influential players in most employer rebate strategies, and these employers were more likely to be in a guaranteed rebate plan. Nearly one third of respondents were never offered alternatives to rebate-focused approaches. **This underscores the importance of questioning the financial incentives that may lead a Broker/ Consultant to recommend a certain vendor during the contracting process.**
- **The cycle of rebate guarantees feeds itself.** Those who currently have rebate guarantees rank the importance higher than those who don't.

The Consolidated Appropriations Act of 2021 amended ERISA creating new requirements for covered service providers, such as Brokers and Benefit Consultants - they must disclose any direct or indirect compensation they receive to the employer. The employer has the ultimate responsibility to make sure these disclosures happen

and must realize their Broker/Consultant has no fiduciary relationship with employees, thus no obligation to prioritize an employers interest over their own.

Employers, make sure you understand the financial incentives of your partners when accepting their recommendations for rebate contracting strategies and benefit design. Lawsuits are increasing, and directed at employers for breaches in their fiduciary duty to operate their health plan in the best interest of participants and beneficiaries. Ask questions and document everything.

[The Published Study: Prescription Rebate Guarantees](#)

News You Can Use

What's So Special About Specialty Pharmacies?

Specialty Pharmacies dispense prescription medications that require 'high touch' in: 1) distribution, 2) administration and/or 3) patient management.

Specialty Pharmacies began in the 1970s but through the 1990s there were still very few - because there were only 30 or so different specialty medications. Today, Specialty Pharmacies make up only **3%** of total pharmacies (They are accredited just as others are).

The largest Specialty Pharmacies are owned by the three largest PBMs:

- 1) **CVS** Specialty Pharmacy... \$73B in annual revenue
- 2) **Accredo** (specialty pharmacy of Express Scripts)... \$60B in annual revenue
- 3) **Optum** Specialty... \$32B in annual revenue
- 4) Walgreens Specialty Pharmacy... \$8B in annual revenue
- 5) Walmart and Kroger Specialty Pharmacies... \$3B in annual revenue each

The PBM-owned specialty pharmacies are so much bigger because these PBMs will only pay for specialty medications if they are filled at their own specialty pharmacy.

The Supreme Court gave states the right to regulate PBMs in 2020. Oklahoma passed the most aggressive, broadest PBM legislation in the nation, looking to forbid PBMs from using only their own specialty pharmacies. The PCMA, (PBM lobbyist group), sued Oklahoma and won in an Appeals Court. Oklahoma took this to the Supreme Court in spring, 2024. Subsequently, 32 states, (plus others), have asked the Supreme Court to overrule the Appeals Court. The Supreme Court has yet to respond.

NOTE - A Supreme Court ruling will likely be precedent setting for ERISA plans if they hear this case.

Eric Bricker, MD, Chief Medical Officer, AHealthcareZ LLC

[For more insights - Watch the Dr. Eric Bricker Video \(9 min\)](#)



IT 'S VACCINATION SEASON

Why should we healthy people care?

We are quickly approaching the winter peak viral season. Winter, and the indoor closeness it brings increases your chance of contacting colds, the flu, or our more recent concern, Covid-19.

WHAT ARE THESE ILLNESSES?

The **common cold** is caused by viruses, and affects the nose and throat. Most of the time its uncomfortable, but harmless. Unfortunately, there is no vaccine.

Read more below.

Influenza, usually called the flu, is an infection of the nose, throat and lungs (the respiratory system). The flu is caused by the influenza virus. Most people who get the flu will get better on their own, but influenza can cause serious complications for health-compromised people. The flu usually ramps up in October. The CDC recommends that people ages 6 months and older get a flu vaccine by the end of October. *Read more below.*

COVID-19, the common cold, seasonal allergies and the flu have many similar symptoms. COVID-19 is a contagious respiratory disease caused by infection with the virus SARS-CoV-2. It usually spreads between people who are in close contact. Make no mistake - it's not gone, it's just a different version of its former self. For most of us, that means we don't get as sick from it. For those who are health compromised, it could still be a death sentence. The COVID-19 vaccine can lower the risk of death or serious illness. It also lowers the risk that it will be spread to other people.

The CDC recommends a COVID-19 vaccine for everyone age 6 months and older.

Read more below.

Some people suffer with long COVID - what the heck is this? Actually, it could be a lot of things, and there is no agreed-upon, single definition of what long COVID means. For some, they continue to experience health problems long after having COVID-19. Some experts have defined it as a long-lasting, (chronic), conditions triggered by the virus that causes COVID-19. People can get long COVID symptoms after having COVID - even if they never had COVID-19 symptoms. Symptoms can show up weeks or months after a person seems to have recovered. Long Covid is a chameleon, which presents particular challenges in a workforce. *See the Employers Guide below for additional insights and education on long Covid.*

WHAT CAN AN EMPLOYER DO?

First, educate and remind your workforce their health matters. Encourage them to take

precautions for themselves, their loved ones and their co-workers.

- Encourage employees to wash their hands cover their coughs and not share glasses or utensils. Wipe down common surfaces and make supplies available for employees to do the same.
- Encourage vaccinations and debunk vaccination myths (No, you can't get the flu from a flu shot).
- Host an on-site 'vaccination day'. (Include families?)
- Allow employees paid time off to go off-site for a vaccination.
- Ask how you can help. Can you provide more education? Are there other barriers to achieving better health for your population?.

[Mayo Clinic on the Common Cold](#)

[Mayo Clinic on Influenza](#)

[Mayo Clinic on Covid; Deciphering Symptoms](#)

[Long Covid - Employer's Guide](#)

Advocacy

Tackling Prior Authorizations

State legislatures are taking action to alleviate medical prior authorization struggles. A 'prior auth' is a review to determine the medical necessity and medical appropriateness of otherwise covered health care services *prior* to rendering care.

So far this year, Vermont, Minnesota, Wyoming, Colorado, Illinois, Mississippi, Maine, Maryland, **Oklahoma**, and Virginia have passed legislation addressing persistent issues with prior authorizations. These include reducing the volume of prior auth requirements and care delays, increasing the data that has to be publicly reported, and improving transparency about which services need prior authorization.

Oklahoma measure, HB3190, was introduced to simplify the prior authorization process and make it more transparent for physicians and patients alike. It was designed to allow doctors to focus on treating patients instead of getting bogged down by tedious paperwork.

HB3190 requires health insurance companies to:

- Employ licensed medical professionals to make determinations that deny care;
- Modernize authorization systems;
- Publish prior authorization requirements online; and
- Honor prior authorizations for at least 45 days, or six months in the case of chronic conditions.

Oklahoma House Bill 3190 establishes timeframes and policies for prior authorizations by insurance companies when health care services and procedures are sought. It passed both the House and the Senate unanimously and takes effect January 1, 2025.





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