



# Health Industry Forum

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## Medicare Today (From Prior)

- Current system is based on statutory evolution
- Some regulatory flexibility exists and will be used more often
- Brown bagging and lack of utilization controls will increase scrutiny
- Serious change in approach would require legislation

### Medical Benefit:

- IV and Injectable products
- Little to no utilization management
- Controls on off-label use

### Pharmacy Benefit:

- Oral and injectables
- Tight utilization controls
- Few off-label controls

### Specialty Pharmacy:

- Any product
- Utilization management
- Controls on off-label use
- Provider/patient administers drug

## Future of Specialty in Public Programs (From Prior)

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- Cost / Access / Quality Issues
  - » Appropriateness of formularies for specialty products
  - » Appropriateness of other utilization controls (e.g., step edits)
  - » Pricing of specialty drugs to patient
  - » Quality Focus (nurse education, compliance, adherence, P4P)
- Programmatic Items
  - » Biases in playing field between orals and IV (B vs. D)
  - » Feasibility of the CAP systems
  - » Economic incentives facing physicians
  - » Role of Part D plans in managing injected products
  - » Expectations of MA plans in cost / access / quality

# Principles for Specialty Drug System Revisions

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- Neutralize prescribing incentives
- Compensate physician/staff for medical management
- Maintain equivalent patient cost sharing between benefits
- Provide immediate/timely access to medication in appropriate setting
- Ensure consistent use of utilization controls between benefits
- Encourage innovative formulations/drug delivery systems
- Match drug treatment to optimal setting of care
- Ensure reasonable cost containment