

INTERAGENCY PHARMACEUTICALS PURCHASING COUNCIL (IPPC)

Meeting Minutes for May 12, 2022

New Mexico State Capitol, Room 326, Santa Fe, NM 87507

1:00 pm to 4:00 pm

1. CALL TO ORDER

John Garcia, Director of the Interagency Pharmaceuticals Purchasing Council (Council) called the meeting to order at 1:05 pm. in room 326 of the New Mexico State Capitol. A quorum was established with a brief welcome.

ROLL CALL

John Garcia, Director of the IPPC

Kari Armijo, Designee, Human Services Department (via MS Teams)

Lisa Fitting, Designee, Children, Youth & Families Department

Wence Asonganyi, Designee, Corrections Department (via MS Teams)

Randall Cherry, Director, Risk Management Division, General Services Department

Neil Kueffer, Deputy Executive Director, Retiree Health Care Authority

Patrick Sandoval, Interim Executive Director, New Mexico Public Schools Insurance Authority

Valerie Atencio, Designee, Albuquerque Public Schools (via MS Teams)

Joseph Evans, Designee, University of New Mexico (via MS Teams)

ABSENT/EXCUSED

Kamie Denton, Designee, New Mexico Counties

GUESTS

Joseph Simon, Legislative Finance Committee

Cyndi Maestas, General Services Department

Jeff Steinborn, Senator, Doña Ana County (District 36)

Sahar Hassanin, Office of Superintendent of Insurance

Tammy Martinez, General Services Department

Martha Quintana, New Mexico Public Schools Insurance Authority

Marla Shoats

Lakisha Holley, General Services Department

Linda Vigil, General Services Department

2. APPROVAL OF AGENDA

MOTION: Mr. Cherry moved to approve the agenda with a second from Mr. Keuffer. The motion passed unanimously.

3. APPROVAL OF MINUTES

MOTION: Mr. Cherry moved to approve the minutes from the November 29, 2021 meeting with a second from Mr. Garcia. The motion passed unanimously.

Members of the Council and guests introduced themselves.

Director Garcia discussed the purpose of the Council and that Senator Hickey will assist the IPPC. He then discussed the challenges faced when addressing the cost of pharmaceuticals and health care. Director Garcia introduced Senator Steinborn who co-sponsored Senate Bill 131 in 2019. Senate Bill 131 established the Interagency Pharmaceuticals Purchasing Council.

Senator Steinborn explained that the legislation was created to address the issue of state agencies purchasing pharmaceuticals in silos, which resulted in entities paying different prices for drugs. The goal of the legislation was to identify ways to work together to try to get a better deal for pharmaceuticals, while ensuring quality health care for all New Mexicans. He encouraged the Council to be aggressive, think outside of the box, make a good faith effort to see what we can be done to bend the cost curve while maintaining care for New Mexicans, and adopt best practices to help get a better deal for taxpayers.

Director Garcia discussed the need to think creatively to lower costs and consider creating pools with other states.

4. Update on Pharmaceuticals Contract with CVS

Director Cherry provided an update on the pharmaceuticals benefit manager contract with CVS. He stated that they looked at 1,000 data points and ended up contracting with the largest pharmaceuticals benefits manager in the United States. CVS manages pharmaceuticals for 27 state governments and covers more than 14 million lives. CVS has a large range of programs, advanced data research and support. Mr. Cherry stated that New Mexico's benefits program is projected to save \$12.6 million in the first year and \$89 million over the four-year term of the contracts. CVS has established relationships with Walgreens and independent pharmacies across the state. The State of New Mexico has a membership of 58,000 state and LPB (local public body) members. NPSIA and UNM established contracts with CVS as well.

Ms. Maestas mentioned that CVS has its own specialty pharmacy, unlike Express Scripts.

Mr. Simon asked if members receiving prescriptions by mail need to reapply for that program, or will their request automatically transfer to the new provider.

Ms. Maestas explained that the transition is underway and will include an exchange of data between Express Scripts and CVS. She mentioned that CVS would build and import each patient's information individually.

Mr. Cherry responded that there would be no gap in services.

Director Garcia mentioned that he has a meeting scheduled with LFC Director David Abbey to explain the CVS contract.

Mr. Sandoval stated that NPSIA's projected savings with CVS over year one would be \$12.3 million and \$82 million over 4 years.

Senator Steinborn asked if there were conversations with all agencies to work together on the contract. He also asked if other agencies could benefit from what GSD negotiated.

Mr. Cherry explained that RMD's benefits are for state employees (representing all state agencies) and LPBs who voluntarily join the pool. He mentioned that the current contract is with a benefits manager, not directly with companies who manufacture drugs.

Mr. Keifer explained IBAC entities worked together to establish the CVS contract, the only difference from years' past is that UNM joined the RFP group.

Mr. Evans confirmed UNM's participation with IBAC on the procurement process.

Director Garcia stated, "It looks like agencies are beginning to work together. Hopefully the outcomes will be great."

5. Prescription Drug Affordability/Statewide strategy

Director Garcia opened the floor for a discussion on perspectives or ideas for a statewide strategy on health care.

Mr. Cherry discussed the reality that health care costs are going up and that the group needs to look for ideas to "bend the curve" (as previously stated by Senator Steinborn).

Director Garcia discussed the challenges in addressing rising health care costs and the impact those costs have had on the State's health benefits fund. He stated that Governor Lujan Grisham is looking for creative ideas to address this issue, specifically, how can we leverage the state pool, partner with other states, or ask for federal support or subsidy. Director Garcia indicated that he was directed by the governor to look at keeping IBAC and IPPC together by leveraging their strengths as a pool.

Mr. Kueffer indicated that there are opportunities to learn from other states and that the Retiree Health Care Authority is a member of several organizations where he has the opportunity to hear problems and concerns from other states.

Director Garcia told the group the state should tell providers what we need as opposed to the provider dictating what is needed. He mentioned the need to begin developing a strategy and proposed to present it to the Council within a few months. He would like to have a plan completed by the fall in preparation for the 60-day legislative session.

Ms. Maestas discussed the need to engage and educate members through communication and the need to enlist the support of carriers to assist with this effort. She stated that a patient care advocate, a position employed through the RMD Stay Well Health Center, would assist members with their health care needs.

Ms. Armijo stated that the role of Medicaid has been unclear in the IPPC and she would be interested in participating in strategy sessions to discuss regulations regarding value based purchasing around the high cost of specialty drugs, but she is not sure how that fits within the constructs of the Council. She believes this is worth discussing because there may be some things the Council can do on the Medicaid side around cost controls.

Mr. Evans mentioned the challenges faced from an employer perspective regarding the purchase of drugs. He noted that 50% of drug spend is reduced by manufacturer rebates. Employers have to be concerned with providing benefit packages to employees that are competitive and meet the expectations of employees. He also mentioned the challenge of working within a system while trying to reform that system.

Director Garcia informed the group that the next meeting should be more of a brainstorming session.

Mr. Simon inquired about the status of the All-Payer Claims Database and if the Council was looking to interface with databases from other states in order to identify where costs are occurring.

Ms. Armijo stated that there is work underway for the All-Payers Claims database, and that DOH is developing a procurement. HSD has been assisting the project by providing funding and there has been, or should be, a contract announced for the ACPD.

Mr. Evans asked if the APCD would be used for research purposes or is it a data warehouse to be used for outreach purposes for working towards health outcomes.

Mr. Asonganyi discussed the challenges of purchasing medications for clients not covered by New Mexico's health benefit plan. He stated the Corrections Department purchases pharmaceuticals for inmates directly from pharmacies and then distributes them to their population. He mentioned that in past meetings the IPPC discussed how the group could come together to purchase medications for this type of client. He noted that the discussion reached an impasse and believes it would be good for the group to think outside of the box to identify solutions for this issue.

Director Garcia wrapped up the discussion by stating that the goal is to break down silos, operate as a group and work in the best interest of our citizens. The Council will look at these issues from a statewide perspective, not just for state employees.

6. Roles and Synergies of IBAC, IPPC and the Group Health Benefits Plan (1:07:50)

Director Garcia stated that the IPPC is about helping employees and creating a better, healthier citizen. The IPPC entities have a vested interest in working as one group in order to affect the market, outcomes and control our destiny as best we can.

Mr. Cherry asked if there has been a discussion about inmates joining the health benefits contract.

Mr. Asonganyi informed the group that inmates could not join the health benefits plan.

Mr. Cherry asked why the inmate population could not join, similar to LPBs. He wondered if there was any discussion about them joining the health benefits manager.

Mr. Asonganyi mentioned that the Corrections Department currently purchases medications through a local pharmacy, or through a health services contract, for inmates.

Mr. Simon stated that the Health Care Purchasing Act allows IBAC to enter into “mutual alliances to create larger pools of eligible participants.”

7. Public Comment

There were no public comments.

8. Next Steps

Director Garcia stated that they would start to put a skeleton plan together and begin working together and supporting one another. More information from Senator Hickey, regarding approaches to actionable items the group should consider, would be forthcoming.

For the next meeting, Mr. Sandoval requested IPPC members submit data regarding contract dates, expiration dates, the number of members each agencies serves, the type of pharmaceutical benefits all are engaged in, the type of health benefits each entity provides and the type of wellness programs provided. The Council should then compile the information and look at the data to determine what makes sense and how the entities can collaborate.

9. Adjourn

MOTION: With all business conducted, Mr. Cherry moved to adjourn at 2:30 p.m. with a second from Mr. Sandoval. The motion passed unanimously.

DRAFT