

Maine Prescription Drug Affordability Board

Introduction to the
Maine Municipal Employees Health Trust

www.mmeht.org

December 22, 2020





What is the Health Trust?

The Maine Municipal Employees Health Trust
(MMEHT)

- **Established in 1983 as an ERISA plan and a VEBA Trust**
- **A non-profit, group self-funded trust**
- **Has operated as a Multiple Employer Welfare Arrangement (MEWA) since 2002**
- **Follows all federal (ERISA) and state (MEWA) mandates**



What is the Health Trust?

Provides benefits to governmental and quasi-governmental entities, as well as qualified non-profit agencies.

CATEGORY	NUMBER OF COVERED EMPLOYERS	NUMBER OF COVERED EMPLOYEES
	June 2019	June 2019
Municipalities	308	5381
Counties	11	1164
COGs	3	9
CAP Agencies	4	377
Libraries	24	92
Housing Authorities	16	292
Water & Utility Districts	53	410
Sewer & Sanitary Districts	21	128
Solid Waste Disposal	13	132
Jails	1	51
Transportation	8	168
Planning & Development	14	55
Light & Power	2	17
911 / Ambulance / EMS	8	49
All Others	18	231
TOTALS	505	8,556



Our Health Plan Partners

- **Health Plan TPA: Anthem**
- **Pharmacy Benefit Manager : IngenioRx**
(through Anthem, effective 7/1/2019)
- **Reinsurer: Anthem**
- **Actuary: Cheiron**
- **Legal Counsel: Eaton Peabody**
- **Benefits Advisor: Cross Benefits Solutions**
- **Reinsurance Broker: Mercer**



Our Health Plans

Effective January 1, 2021

**Six health plans for active employees
and non-Medicare retirees**

POS A

POS C

POS 200

PPO 500

PPO 1500

PPO 2500

**One health plan for Medicare retirees
Group Companion Plan**



Our Health Plans

All plans provide
affordable prescription drug coverage
for plan participants

Effective January 1, 2021

Rx copays for each 30 day supply of medications, by plan and by tier *

	POS A POS C	POS 200 PPO 500	PPO 1500 PPO 2500	Retiree GCP
Tier 1 - Select Generic	\$4	\$8	\$8	\$8
Tier 1 - Standard Generic	\$10	\$15	\$20	\$15
Tier 2	\$30	\$35	\$40	\$35
Tier 3	\$50	\$60	\$70	\$60
Tier 4	\$60	\$80	\$80	\$80

* 90 day supply available for 2 copays via mail order; 3 copays at retail pharmacy. Does not apply to specialty medications.



Prescription Drug Tiers

- **Tier 1a – Select Generic**
 - Select Generics are the most commonly prescribed and proven generic medications that are known for effectiveness and value in treating many medical conditions. All of these are generic equivalents of brand name drugs.
- **Tier 1b – Standard Generic**
 - These offer a good value within a therapeutic class. Some of these are generic equivalents of brand name drugs.
- **Tier 2 – Preferred Brand Name**
 - These may be preferred brand drugs and possibly newer, more expensive generic drugs based on clinical effectiveness and value.
- **Tier 3 – Non-Preferred Brand Name**
 - These may be higher cost brand name drugs and some generics that may cost more than therapeutically equivalent drugs. These drugs may include medications recently approved by the FDA.
- **Tier 4 - Specialty and Lifestyle Medications**
 - These may be the highest cost brand name drugs and some generics that may cost more than therapeutically equivalent drugs. These drugs may include medications recently approved by the FDA. Specialty drugs are most commonly prescribed to treat complex, chronic conditions and may require special handling and/or management. Lifestyle drugs are most commonly prescribed to treat impotency.

Prescription Drug Affordability Board

Duties of the Board (PL Chapter 471, s. 2042 (1)):

- Determine annual spending targets for prescription drugs purchased by public payors
- Determine which public payors are likely to exceed the spending targets
- Determine spending targets on specific prescription drugs that may cause affordability challenges to enrollees in a public payor health plan

Prescription Drug Affordability Board

Duties of the Board (PL Chapter 471, s. 2042 (3)):

The Board shall determine whether the following methods **reduce costs to individuals purchasing prescription drugs through a public payor** and **allow public payors to meet spending targets**

- changing formularies
- establishing a common prescription drug formulary for all public payors
- purchasing prescription drugs in bulk or through a single purchasing arrangement for use among public payors
- collaborating with other states to purchase prescription drugs in bulk or to jointly negotiate rebates
- procuring common services (PBM, actuarial, etc.)
- allowing health insurance carriers providing coverage to small businesses and individuals to participate in the public payor plan for a fee

MMEHT Questions

- **What is the ultimate goal of establishing spending targets:**
 - **for all drugs purchased by a public payor?**
 - **for specific drugs purchased by a public payor / enrollee?**
- **How does establishing spending targets for public payors make prescription drugs more affordable to individual enrollees?**
- **Changing formularies might help to lower costs by not covering certain high-cost medications – but how does this help individual enrollees?**
- **Would it be more effective to educate providers on the cost of medications, so that they take that into account when prescribing for their patients?**

MMEHT Concerns

Public payors have different:

- **Pharmacy Benefit Managers (PBMs)**
- **PBM Contracting Arrangements**
- **Prescription Drug Formularies**
- **Rx Plan Cost Shares for Members (Copays, Deductibles, Coinsurance, etc.)**
- **Actuaries and Actuarial Needs**
- **Funding Arrangements and Requirements (fully-insured, self-insured, etc.)**
- **Memberships (single employer, multiple employer, union, etc.)**
- **Plan Structures (governmental, ERISA, MEWA)**

Summary

- While public payors in Maine are different from each other in many ways, we all recognize that there are a number of challenges associated with the high cost of prescription drugs. Prescription drugs account for as much as 25% - 30% of total health plan spend in any given year.
- However, it's also important to recognize that, while prescription drugs may be expensive, they frequently eliminate the need for even more expensive hospitalizations and other medical costs.
- Establishing spending targets for specific prescription drugs (or even for all prescription drugs) will not automatically improve the affordability of these drugs - for plans or for their members.
- Addressing this issue will require careful and thoughtful consideration.