

Coalition of State Rheumatology Organizations

Advocacy Conference

Aug 25-26, 2023

Austin Texas

Perspectives
&
Policy
Ramifications
ON...

The Patient
The Doctor-Patient
Relationship
The Business
Our Heart and Soul

Madelaine Feldman, MD FACR
CSRO – VP Advocacy and Gov't Affairs
Clin. Assist. Prof of Medicine – Tulane Medical School
The Rheumatology Group
New Orleans , LA



Why did we deny your claim?
I'll Have to Check Our Records....

MC Administration Reimbursement Down Coding

MEDICARE ADVANTAGE

Mandated White-Bagging - SP Programs

Mandated Mail Order

SAD List

25-Modifier with E/M charges

Self-Injectable Mandates

Step Therapy

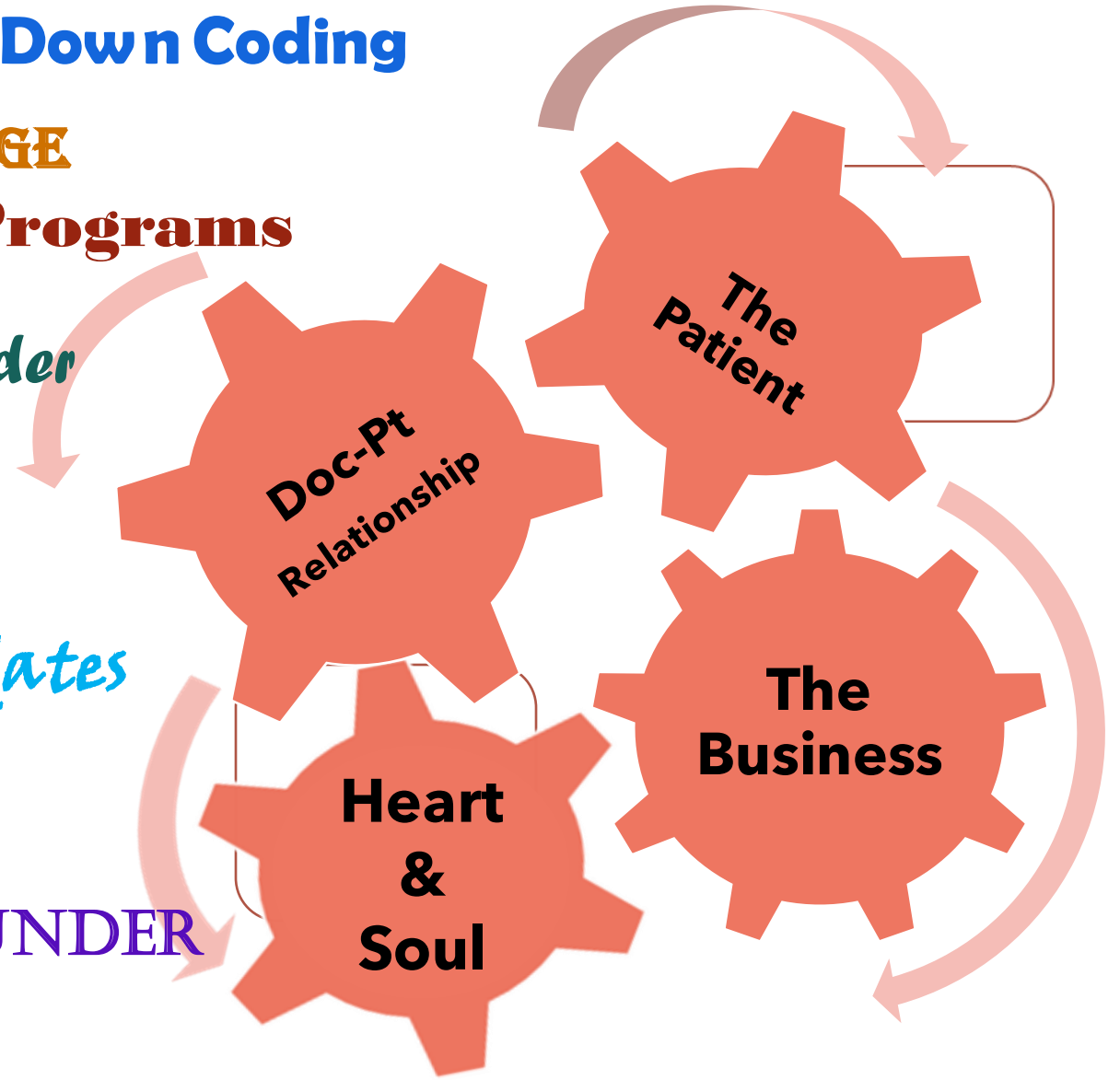
Non-Medical Switching

ALTERNATIVE FUNDER

Accumulators & Maximizers

AI Directed Treatment Plans

PRIOR AUTHORIZATIONS



PRIOR AUTHORIZATIONS

Step Therapy

ALTERNATIVE FUNDER

Non-Medical Switching

Mandated White-Bagging

MC Administration Reimbursement

Down Coding

THE BUSINESS

SAD List

**25-Modifier
with E/M charges**

**Our Employees
Our Livelihood
Our Life**

Self-Injectable Mandates

MEDICARE ADVANTAGE

Accumulators & Maximizers

MC Administration Reimbursement Down Coding & SAD LIST

GREAT NEWS !

2 Years And Meetings Later...

We Have A Meeting
Next Week
With CMS to Discuss
Next Steps

PRIOR AUTHORIZATIONS

SAD List

Accumulators & Maximizers

Mandated White-Bagging

**Administration Reimbursement
Down Coding**

THE PATIENT

Step Therapy

**25-Modifier
with E/M charges**

**Health
Pocketbook**

ALTERNATIVE FUNDER

Non-Medical Switching

MEDICARE ADVANTAGE

Self-Injectable Mandates

Only 20% Of Payers

Think That Safety & Efficacy

Are More Important

Than Cost

They're Everywhere ...
But they are also Banned in 19 states!

Accumulator
Adjustment
Programs

Maximizer
Programs



Copay Assistance **DOES NOT**
Count Towards Deductible

Maximizers vs Accumulators


- **For PBMs – Maximizers are now more popular**
 - Accumulators – Patients lose access to meds ~ **Bad PRI!**
 - Maximizers – Can extract **more money** from copay cards & **NO Bad PRI!**
- **For Self funded employers**
 - “Desperate” To Save Money- *PBMs tell them this is the way to save money*
 - It Actually Makes Money For The PBM
 - Harms Employees/Beneficiaries – Monetarily and physically
- **J&J suing SaveonSP – 19 states have banned accumulators**

Bottom Line ~Accumulators/Maximizers

It is Discriminatory
Disproportionately Harms Patients
With High Deductibles
(who are often financially disadvantaged)
& Chronic Diseases



**A few of the (Not~so)New Kids
on The Block – Alternative Funders**



**Sharx, ImpaxRX, Paydhealth,
Payer Matrix, Script Sourcing,
Scout Rx
And So Many More**

Alternative Funders

- **“Carve Out Solutions”** – Non Coverage Of Specialty Drugs
 - “Bait & Switch” health ins.
- Approaches Manufacturer/ Assistance Funds for “Free Drug”
- Import Drug From Out Of The Country ~**“Alternative Sourcing”**
- Charges 20~30% Fee To Employer Based On Price Of Assistance
- Depending On Contract
 - Employer Or Patient May Be Responsible For Cost Of Drug

Alternative Funders

Savvy Practices Can Get This Overturned

And The Employer May Be

Stuck with the Cost

(Hopefully They Have Stop Loss Insurance)

- Unsustainable

Egregious Aspects of Specialty Carve Out Programs

1

Essential Health Benefits Are Being Denied

2

Illegal Wholesale Importation of Drugs into the US

3

"Bait and Switch" Health Insurance

4

Draining Limited Support for Needy Patients.

PRIOR AUTHORIZATIONS

Accumulators & Maximizers

Step Therapy

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Mandated White-Bagging

Doctor- Patient Relationship

SAD List

25-Modifier

with E/M

charges

**Trust
Shared Decision
Making**

SelfInjectable Mandates

MEDICARE ADVANTAGE

ALTERNATIVE FUNDER

Mandated White Bagging – What is it?

Shifts Charges For Physician Administered Drugs
From Medical To Pharmacy Insurance

Physicians Must Acquire Meds
From Specialty Pharmacy
Not “Buy And Bill”

Figure 16. **Top 15 U.S. Hospital Systems by Charge-to-Cost Ratios, 2018**

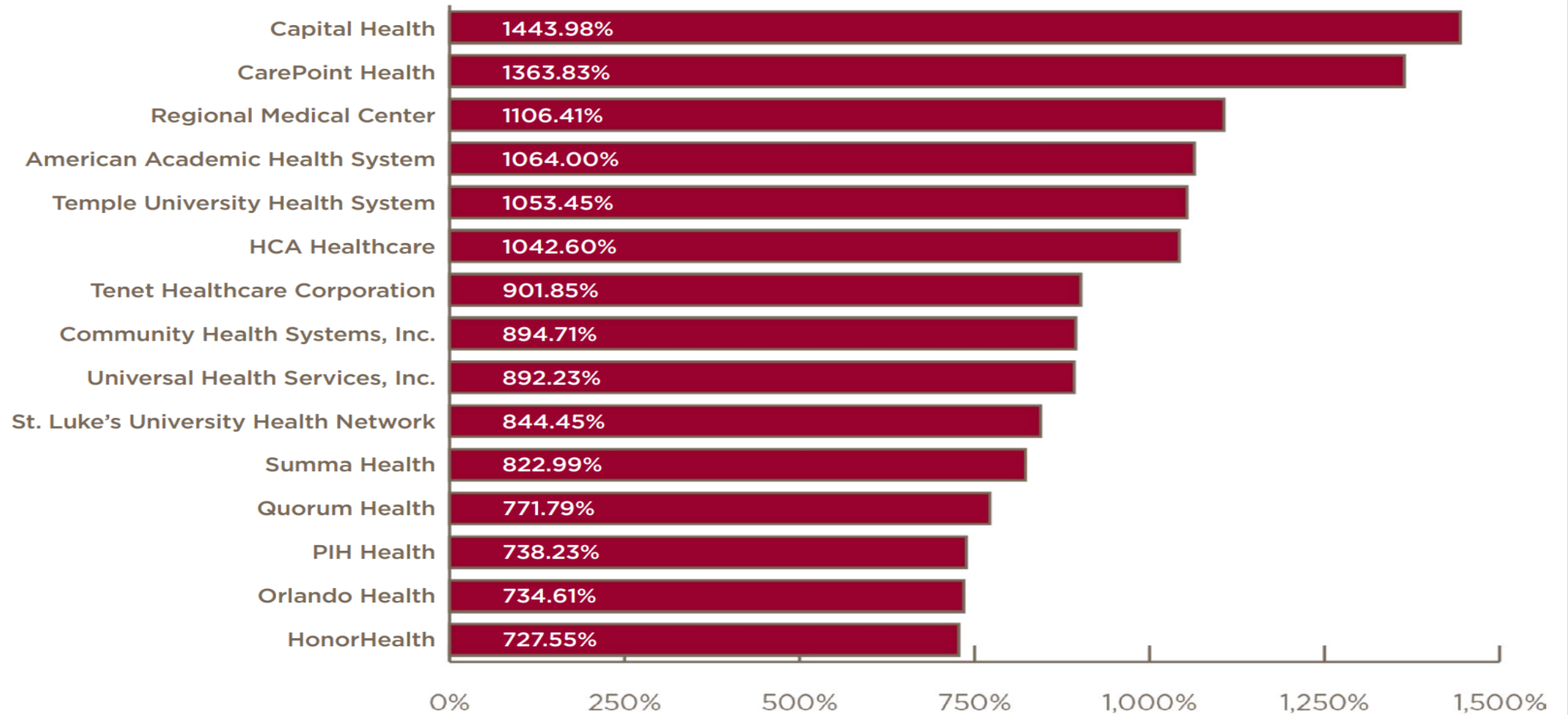


Figure 11
Average Allowed Charge by Site of Service and Weighted Percentage Price Differential for Various Specialty Medications



Notes: HOPD=hospital outpatient departments; PO=physician offices.
 Source: Authors' analysis of IBM MarketScan administrative enrollment and claims data.

The Many Downsides of Mandated White Bagging

**Delays In
Care**

**Dosage
change**

Wastage

**Employee
Must Pay Up
Before Drug Is
Shipped**

**Liability
Issues**

Employer Self-funded Health Plans

- 60 percent of America's workers, are covered by Employer funded plans
- Most of those self funded plans fall under "ERISA"

(Employee Retirement Income Security Act.) (1974)

- Regulated by the federal Department of Labor -covers employee health plans.
- These Plans Must Act As a **Fiduciary, Meaning They Must Look After the Well Being Of The Employees, Including Their Finances And Those Of The Plan Itself.**

Case #1- Employer Funded Plan White Bagging

- Patient works for a large national company
- PBM -CVS Caremark mandates white bagging
- Rheumatologist infused pt with white bagged drug in 2021
- Exemption request was granted - 2022 for "Buy And Bill"
- Receipts for the 2 years were obtained
 1. White bag (2021)- Cost for Remicade was \$43,408.25
Employee's cost share was \$525.
 2. Buy and Bill (2022) Cost for Remicade was \$12,200

Is This

Breach of Fiduciary Responsibility?

Violation of Fiduciary Duty?

(knowingly or unknowingly)

Kraft Heinz Sues Aetna, Says Insurer Breached Erisa Fiduciary Duties

**Aetna Wrongly Retained Millions In Undisclosed Fees &
Paid Provider Claims “That Should Have Never Been Paid,”**

According To The Lawsuit Filed In A Texas Federal Court.

Published July 13, 2023

<https://www.healthcaredive.com/news/kraft-heinz-sues-aetna-erisa-fiduciary/687568/>

Consolidated Appropriations Act of 2021 (CAA)

Requires insurance companies and employer-based health plans to submit information about:

- **Spending on prescription drugs and health care services**
- Prescription drugs that account for the most spending
- Drugs that are prescribed most frequently
- Prescription drug rebates from drug manufacturers
- Premiums and **cost-sharing that patients pay**

Why Do Employer Sign these Contracts?

- **Total Lack of Knowledge by Employer**
- **They Have Been Shown (Or Experienced) The Hospital Pricing Debauchle**
- **Their Employer Benefit Consultants Are Highly Paid By The PBMS**

**Which Can Lead To “RIGGING” Of The Contract
In Favor Of The PBM**

Plan Size PBM – “Referral Fees” (Annual)

5,000 employees – \$200,000–\$300,000

20,000 employees – \$1M–\$1.5M

Conflicted Consultants Do Not Challenge Traditional PBM “Profit Centers”

- All “Rebates” Will Be Passed Through To The Plan Sponsor,
 - **But Redefining “Rebates” To Exclude Millions Of Dollars In Rebates Which Have Been Reclassified As “Service Fees**
- Offering An “Inflation Protection Program”
 - **But Pocketing All Price Protection Rebates In The Fine Print.**
- Delaying Coverage Of New Generics, Blocking Coverage Of Certain Generics/ Biosimilars
 - **So That Higher Cost Brands Can Be Sold For Additional Months (Or Years).**

Suggestions to Employers and Rheumatologists

• Employers

- Hire ERISA attorney that **knows the PBM lingo** to read the contract
- Hire a consultant that is “looking out for you” – not the 3rd party administrator
- **Use Sec 202 of CAA** – that **mandates transparency** of all consultants' fees from TPAs/PBMs

• Rheumatologists

- Share knowledge on accumulators, step therapy, mandated white bagging, site of care
 - Have your **patient get their receipt** for the white bagged drug charged & the patient's cost share
 - Have documented cost of **in office buy and bill charge** to company
- **Remember their fiduciary duty** to the plan and their employee

Heart & Soul

Resilience

Happiness

Will

HEALTH

Strength

Motivation

Vitality

Peace

Vigor

Well-Being

Spirit

Purpose

Family

INCENTIVE

ENERGY

Morale

Mind and Body



Diet



Sleep



Social Connectedness



Exercise



Meditation/Prayer

What Gets You Up In The Morning ???

Novelty
Creativity
Service





good morning

"A day without laughter is a day wasted."



Any
Questions?

