

AMERICA'S
PHYSICIAN
GROUPS

PHARMACEUTICAL CARE
COMMITTEE MEETING: 11/14/18

CO-CHAIR: BAHAR DAVIDOFF, PHARM.D, VP PHARMACY REGAL
MEDICAL GROUP

CO-CHAIR: ANGELA JEONG, PHARM.D, AGILON HEALTH

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GOOD MORNING!

Welcome and Introductions

- *Co-Chair: Bahar Davidoff, PharmD, VP Pharmacy Regal Medical Group*
- *Co-Chair: Angela Jeong, PharmD, Agilon Health*

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NEW GUIDANCE FROM HHS RE: STEP THERAPY³ AND PRIOR AUTHORIZATION.

- David Gonzalez: *Senior Legislative Advocate America's Physician Groups.*

NEW GUIDANCE FROM CMS RE: STEP THERAPY AND PRIOR AUTHORIZATION IN MEDICARE ADVANTAGE.⁴ I. INTRODUCTION

- August 7, 2018 HHS issued a new guidance relating to:
“Prior Authorization and Step Therapy for Part B Drugs
in Medicare Advantage.”
- <https://www.cms.gov/newsroom/fact-sheets/medicare-advantage-prior-authorization-and-step-therapy-part-b-drugs>

NEW GUIDANCE FROM CMS RE: STEP THERAPY AND PRIOR AUTHORIZATION IN MEDICARE ADVANTAGE⁵

2. BACKGROUND

- Background: In **September 2012** issued a guidance precluding health plans from imposing utilization management tools like step therapy for certain Part B drugs in Medicare Advantage (MA.)
- According to CMS, **step therapy** “is a type of prior authorization for drugs that begins medication for a medical condition with the most preferred drug therapy and progresses to other therapies only if necessary, promoting better clinical decisions.”

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NEW GUIDANCE FROM CMS RE: STEP THERAPY AND PRIOR AUTHORIZATION IN MEDICARE ADVANTAGE⁶

3. PROPOSED CHANGES

- The new guidance **rescinds** the 2012 guidance that prohibited the use of step therapy for certain Part B drugs and services.
- According to CMS the **new guidance** acknowledges that the “use of step therapy is a recognized utilization management tool. The allowance for step therapy practices for Part B drugs will help achieve the goal of lower drug prices while maintaining access to covered services and drugs for beneficiaries...”
- “CMS believes that appropriate patient engagement and care coordination services support appropriate pathways to access to Part B drugs such as step therapy.”

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NEW GUIDANCE FROM CMS RE: STEP THERAPY AND PRIOR AUTHORIZATION IN MEDICARE ADVANTAGE⁷

4. SCOPE

- **Medicare Advantage:**
 - Applies to capitated managed care health plans as opposed to traditional fee-for-service.

- **Part B:**
 - **Generally...** covers drugs that usually can't be self-administered, meaning you need a provider's help to take or inject them.

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NEW GUIDANCE FROM CMS RE: STEP THERAPY AND PRIOR AUTHORIZATION.⁸

- Conversation with Representatives from the U.S. Department of Health and Human Services re: New Guidance on Prior Authorization and Step Therapy in Medicare Advantage.
 - **John O'Brien, Advisor to the Secretary, HHS**
 - **Abraham Sutton, Advisor to the Secretary for Value-Based Reform, HHS**

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NEW GUIDANCE FROM CMS RE: STEP THERAPY, AND PRIOR AUTHORIZATION. *FACT SHEET*

- “Today, the Centers for Medicare & Medicaid Services (CMS) introduced much-needed competition and negotiation into the market for physician-administered and other Part B medications that will result in better deals and lower drug costs for patients. As part of the agency’s ongoing activities to deliver on President Trump’s promises outlined in his American Patients First [Blueprint](#), CMS will provide Medicare Advantage plans the option of applying step therapy for physician-administered and other Part B drugs in a way that lowers costs and improves the quality of care for Medicare beneficiaries. Medicare Advantage (MA) plans will have the choice of implementing step therapy to manage Part B drugs, beginning January 1, 2019 as part of broader care coordination activities that include patient rewards and incentives. Currently, there are more than 20 million beneficiaries enrolled in MA plans.”

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PLANNING FOR 2019: OPEN DISCUSSION.

- *Co-Chair: Bahar Davidoff, PharmD, VP Pharmacy Regal Medical Group*
- *Co-Chair: Angela Jeong, PharmD, Agilon Health*

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THANK YOU!!