

WELCOME
MEMBERS, SPONSORS and GUESTS!
NCBGH SPRING 2018 MEETING
Proximity Hotel – May 11, 2018

North Carolina
Business Group on Health

Promoting a better healthcare delivery system
Advocate. Innovate. Educate.



WELCOME!!

NCBGH SPRING AGENDA

Arrival and Breakfast, 8 am

Welcome: Jon Rankin, NCBGH President (8:45 am – 9:00 am)

9:00 **Reese Feuerman, Chief Financial Officer, ConnectYourCare**
Innovation in Health Savings Accounts and Adoption Best Practices

10:00 **Adrian Washington, Vice President – Client Management, OptumRX**
Pharmacy Benefit Management (PBM) Transformation

11:00 **Honorable Josh Stein, Attorney General for State on North Carolina: Opioids and North Carolina**
Perspective from the Attorney General

12:00 **Buffet Lunch (Please return to seats for final presentation over lunch)**

12:15 **Steven G. Schwartz, Vice President- Workplace Solutions, Shatterproof**
Employer Toolkit for Substance Abuse

1:00 **Event Wrap Up**

WELCOME NCBGH PLATINUM SPONSOR



WELCOME NCBGH SPONSORS

Organization	Sponsor Since
Mercer – Founding Sponsor	2011
Aetna	2012
BCBSNC	2012
Cigna	2012
Merck	2012
United Health Care	2012
Aon	2013
Prime Therapeutics	2013
Wells Fargo Insurance Advisors	2013
NFP	2014
ConnectYourCare	2016
Elliott Davis Decosimo	2016
Healthworks	2016
Willis Towers Watson	2016
Manning Fulton	2017
Businessolver	2018



NCBGH Members: THANK YOU!!

American & Efird LLC	Crowder Construction Co.	PowerTeam Services
Bahakel Communications	Culp, Inc.	Precision Fabrics Group
Bank of America Merchant Services	Duke University	Replacements, Ltd.
BB&T Corporation	Employers Association	TIAA
Bell Partners Inc.	Glen Raven Inc	Transformant Healthcare Solutions, LLC
Bernhardt Furniture	HAECO Americas	UNIFI Mfg.
bioMerieux	Indian Head Industries	University of NC
Carolinas Healthcare System	International Textile Group	VF Corporation
Charlotte Pipe & Foundry	Manning Fulton & Skinner	Volvo US
City of Greensboro	National Gypsum	Wake Med Health
Coca-Cola Bottling Co.	Old Dominion Freight Line	
Compass Group	Piedmont Natural Gas	
Cree Inc.	Polypore	

ABOUT NCBGH

ABOUT NCBGH

- What is **NCGBH**?
 - 501c(6), Non-profit trade association. We are an advocacy group of senior HR and Finance leaders from area employers, with a common goal to positively impact and improve healthcare in North Carolina
- Why should I be involved?
 - NC lawmakers **and other stakeholders in the healthcare delivery system** need a unified voice on healthcare issues that impact the business community.
- What does it cost to participate?
 - Membership is only **\$100** per year and allows for you and a colleague to attend 2 meetings per year and gain access to unmatched “content” and “influence”.

ABOUT NCBGH

Mission and Charter

North Carolina Business Group on Health is a 501c(6) trade association which acts as advocacy group of employers who use their collective voice to influence decisions that impact the quality and cost of healthcare delivery systems. We will accomplish our mission and foster North Carolina's economic development in the following ways:

- **Advocate** – Create a business community with a shared vision and message on matters of healthcare policy, regulation, and legislation based on sound fiscal principles and quality standards.
- **Innovate** – Seek creative, common sense solutions to improve the overall cost and quality of our healthcare delivery system.
- **Educate** – Promote health and wellness education. Advocate for provider performance disclosure of both quality and outcomes to help employees become better consumers of healthcare services.

...An opportunity for you to get involved...

- **NCBGH Best Practices lunches** –We hosted “Best Practice” lunches in 2014, 2015, 2016 and 2017 in both Raleigh and Charlotte locations. What your email for the next lunch coming soon!
- **Membership and Marketing** - Leigh Elrod, Chair (Easter Seals)
 - Focusing on helping attract and retain quality HR Leaders throughout North Carolina who can help us grow NCBGH both now and into the future

Have you visited us at www.ncbgh.org
Our website is growing in Capabilities
and great information!

PLEASE WELCOME!!

Adrian Washington, PharmD., MBA

Vice President of Client Management
UnitedHealthcare | OptumRx



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Pharmacy: Partnerships, Innovations and Hot Topics

Adrian Washington PharmD., MBA
Vice President of Client Management UnitedHealthcare | OptumRx



Agenda

Landscape of Pharmacy

- Trend Dynamics

Key Pipeline Drugs

Biosimilars

Medical Specialty Integration

PreCheck My Script

Enhanced PA Models

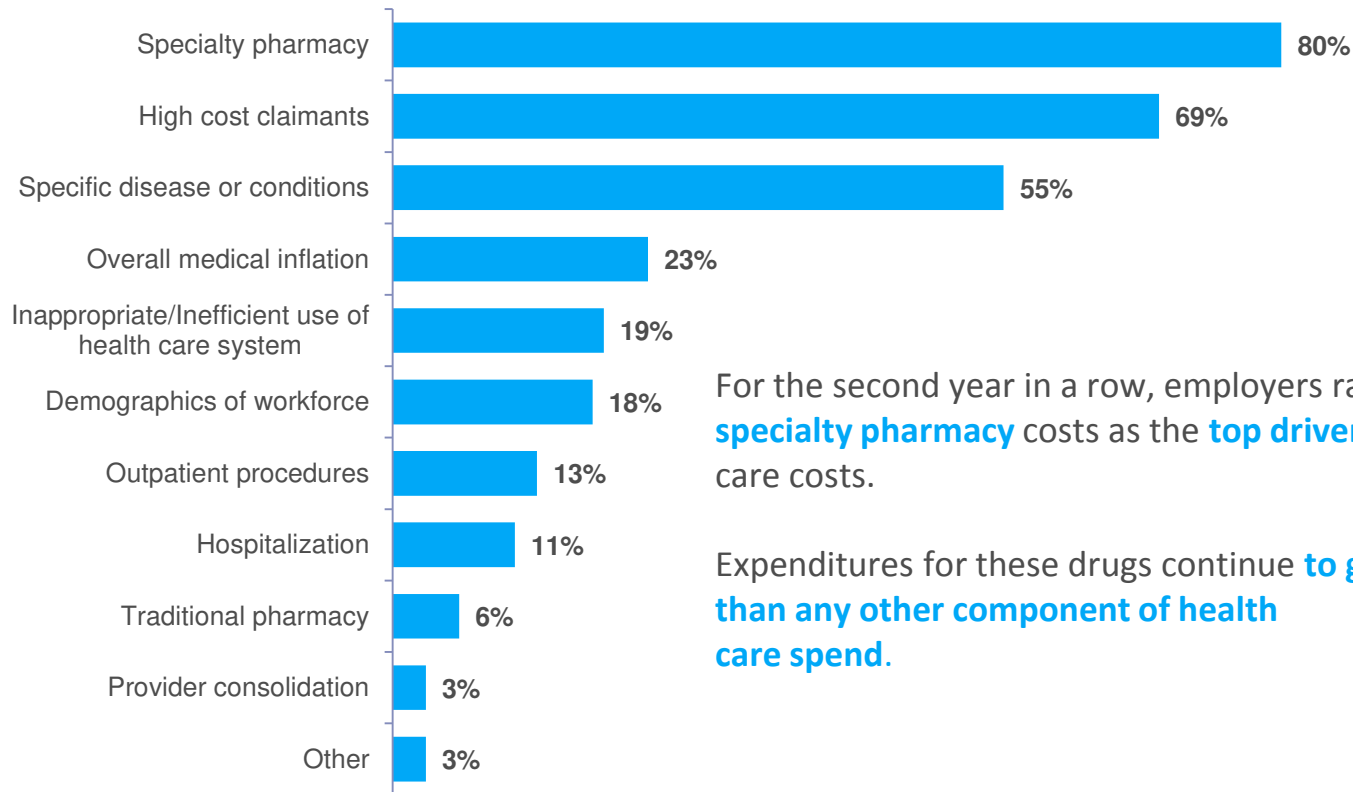
- Dx2Rx
- Proactive PA

Opioid Epidemic and Clinical Management

Rising health care costs

Employers' Top Drivers of Rising Health Care Costs¹

% indicating driver as one of their top three



For the second year in a row, employers ranked **specialty pharmacy** costs as the **top driver** of health care costs.

Expenditures for these drugs continue **to grow faster than any other component of health care spend.**

Source: 1. Large Employers' 2018 Health Plan Survey, NBGH, Aug 2017.

Dynamics of trend

Price Inflation

National drug spending to reach \$500B by 2022¹

- price inflation is top contributor, outpacing utilization growth 4:1²
- 82% of drug spend has price inflation rates between 7-10% annually

Pipeline and Technology

40% of drugs in the development pipeline are specialty³

- 46 new drug approvals in 2017 including initial gene and cellular therapies
- 14 drugs approved for new uses; first new treatment for liver cancer 10 years

Biosimilars and Generics

Competition drives down costs but biosimilars face unique challenges

- Slow progress for biosimilars due to litigation
- Generics for traditional drugs continuing to mitigate trend, but reaching saturation

Drug Promotion

Pharma advertising to consumers reached new high in 2016 at \$6.4B⁴

- ~80 drug commercials every hour, focusing more on specialty conditions
- Top 10 drugs by DTC spend in 2016 were >\$100M each; Humira DTC = \$439M

Sources: 1. U.S. Centers for Medicare & Medicaid Services, "National Health Expenditures Data". 2. Segal Consulting, "Segal Group Projects Lower Rx Cost Trend Increases in 2018", Sept 22, 2017. 3. US Food and Drug Administration, "2017 New Drug Therapy Approvals", January 2018. 4. Kantar.com, "Drug Advertising Booms to \$6.4 Billion", May 8, 2017.

Dynamics impacting specialty trends

Specialty drug costs are predicted to exceed 60% of overall drug costs by 2020.¹



Biotech Innovations

- Individualized treatments: 7,000 rare/orphan diseases, most of genetic origin, affecting 25-30 million Americans²
- Initial cellular and gene therapies were approved in 2017; more than 1,000 gene therapies are currently in clinical trials³



Drug Pipeline

- 46 novel drugs were approved by the FDA in 2017; more than half were specialty
- Specialty pipeline classes to watch in 2018 include:
 - Alzheimer's
 - Multiple Sclerosis
 - Oncology (CAR-T)
 - Migraine



Cost Implications

- 18 of the 46 novel drugs approved in 2017 for rare diseases. Annual cost for an orphan drug ranges from \$140k to >\$1M
- Price inflation is 10%/year
- Relief from biosimilars continues to be a slow process, with most approvals delayed due to legal obstacles

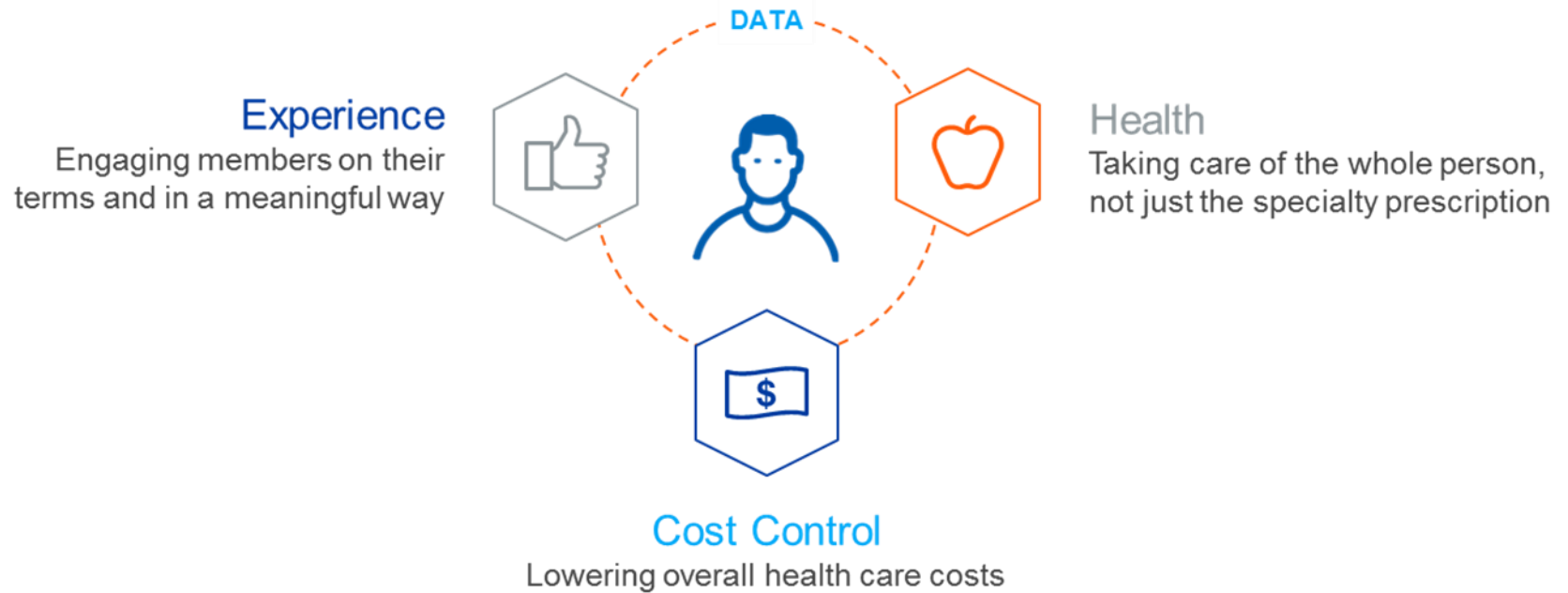
Sources: 1. BrivoRx pharmacy book of business data 2. U.S. Department of Health & Human Services, "FAQs About Rare Diseases", updated Nov 30, 2017. 3. American Society of Gene and Cell Therapy, "Gene and Cell Therapy FAQ's". Thomson Reuters Cortellis database <https://cortellis.thomsonreuterslifesciences.com/>

PDL Decision Making Process

We take a comprehensive approach to determine a drug's value, including impact to overall healthcare costs and outcomes.



Managing Specialty with Complex Care



1. Legacy Fully Insured FY 2016 Allowed Amount

CGRP Antagonists

CGRP ► calcitonin gene-related peptide = amino acid that **transmits pain**

CGRP Antagonists ► **Preventive treatment** to block the CGRP transmitters.
Will not replace acute treatment medications.



Subcutaneous injection



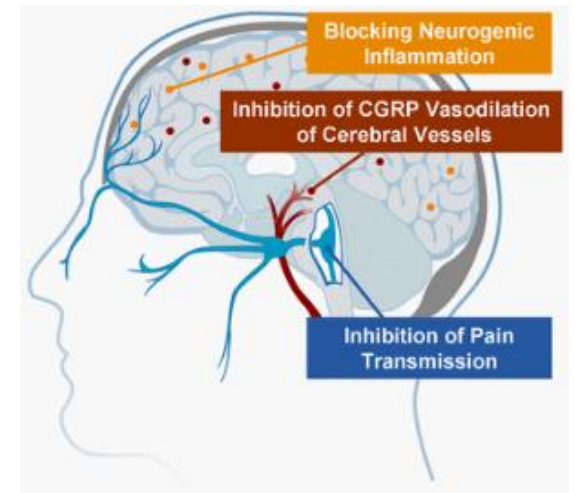
Monthly/quarterly dosing regimen



Clinical trials show a significant reduction in migraine days



~ \$8K - \$20K per patient per year



Key Specialty Drugs Recently Approved

Cellular Therapy

Kymriah™

(tisagenlecleucel)
Approved 8/30/17,
Novartis

For the treatment of:

Patients up to 25 years old with relapsed or refractory B-cell acute lymphoblastic leukemia (ALL).



Route of administration

IV infusion



Estimated cost

Kymriah: \$475,000 per treatment
Yescarta: \$373,000 per treatment
(not including admin and facilities fees)



Management strategies

Prior authorization through the Optum Center of Excellence Program for stem cell and bone marrow transplants.

Yescarta™

(axicabtagene ciloleucel)
Approved 10/18/17, Kite
Pharma

For the treatment of:

Adult patients with certain types of relapsed or refractory large B-cell lymphoma.

Gene Therapy

Luxturna™

(voretigene neparvovec)
Approved 12/12/17, Spark Therapeutics

For the treatment of:

Patients with inherited retinal disease/dystrophy (IRD) due to bi-allelic RPE65 gene mutations.



Route of administration

One time subretinal injection per eye which is part of a surgical procedure



Estimated cost

\$425,000 per eye
(requires 1 treatment per eye)



Management strategies

Prior authorization (genetic testing requirements), administrative guide product sourcing and claim limits

Rare Conditions

Radicava™

(edaravone)
Approved 5/5/17, Mitsubishi Tanabe Pharma Corporation

For the treatment of:

Amyotrophic lateral sclerosis (ALS), commonly referred to as Lou Gehrig's disease.



Route of administration

IV infusion



Estimated cost

\$1,086 per infusion
(\$145,524 per year)



Management strategies

Prior authorization, site of care

Biosimilars: Current state

Currently in the Marketplace	Zarxio® <ul style="list-style-type: none"> • Biosimilar for Neupogen • Manufacturer: Sandoz • Buy and Bill, Specialty Channel 	Inflectra® <ul style="list-style-type: none"> • Biosimilar for Remicade • Manufacturer: Pfizer • Buy and Bill 	Renflexis™ <ul style="list-style-type: none"> • Biosimilar for Remicade • Manufacturer: Merck • Buy and Bill
	Erelzi™ <ul style="list-style-type: none"> • Biosimilar for Enbrel • Manufacturer: Sandoz • Specialty Channel 	Amjevita™ <ul style="list-style-type: none"> • Biosimilar for Humira • Manufacturer: Amgen • Specialty Channel 	Ixifi™* <ul style="list-style-type: none"> • Biosimilar for Remicade • Manufacturer: Pfizer • Buy and Bill
	Cyltezo® <ul style="list-style-type: none"> • Biosimilar for Humira • Manufacturer: Boehringer Ingelheim • Specialty Channel 	Ogivri™ <ul style="list-style-type: none"> • Biosimilar for Herceptin • Manufacturer: Amgen • Buy and Bill 	Mvasi™ <ul style="list-style-type: none"> • Biosimilar for Avastin • Manufacturer: Amgen/Allergan • Buy and Bill

* Pfizer likely will not launch Ixifi in the U.S.

PreCheck MyScript

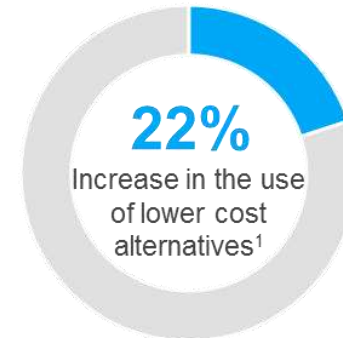
Improve Affordability, Adherence and Experience

PreCheck MyScript empowers physicians at the point of prescription

Making it easier for a physician to access patient's information



- ✓ **Price transparency.**
- ✓ **Lower cost.**
- ✓ **Timely prescriptions.**
- ✓ **Better adherence.**



1. May-Mid-Oct 2017, UnitedHealthcare data

Enhanced PA Model: How The Programs Work

The Dx2Rx program (Diagnosis to Script)

Automatically finds a member's medical diagnosis in claims history to avoid the PA requirement.

The result? Members start taking their medication as soon as possible.



Prescription submitted to pharmacy



Real-time medical claim check and PA approved for valid diagnosis*



For a new diagnosis, pharmacist enters diagnosis code to avoid PA



Rx filled and consumer picks it up

The Expiring PA program

Proactively notifies the physician to extend an expiring PA.

The result? Members are removed from the middle and continue to stay adherent on their medication.



Approved PA for Rx expiring in 30 days



Verify and review member and Rx information to initiate fax form to MD



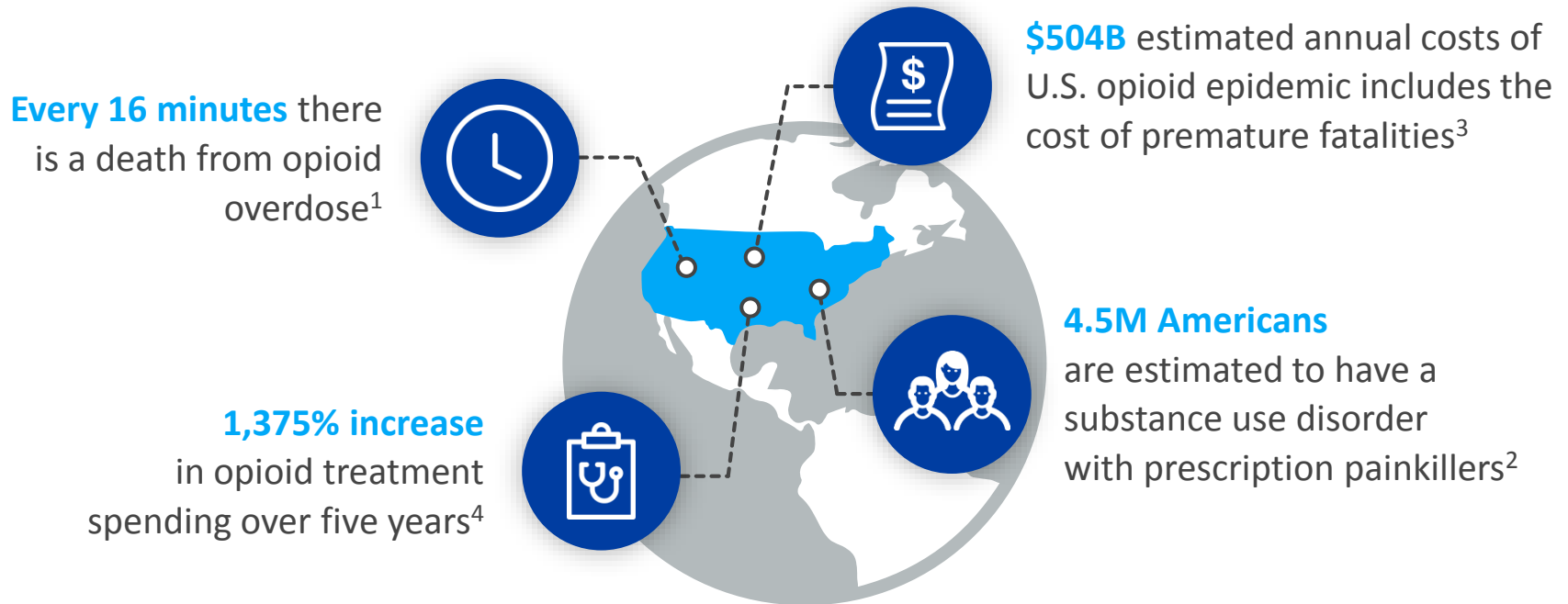
PA approved or denied



Consumers and providers receive communication on the review outcome

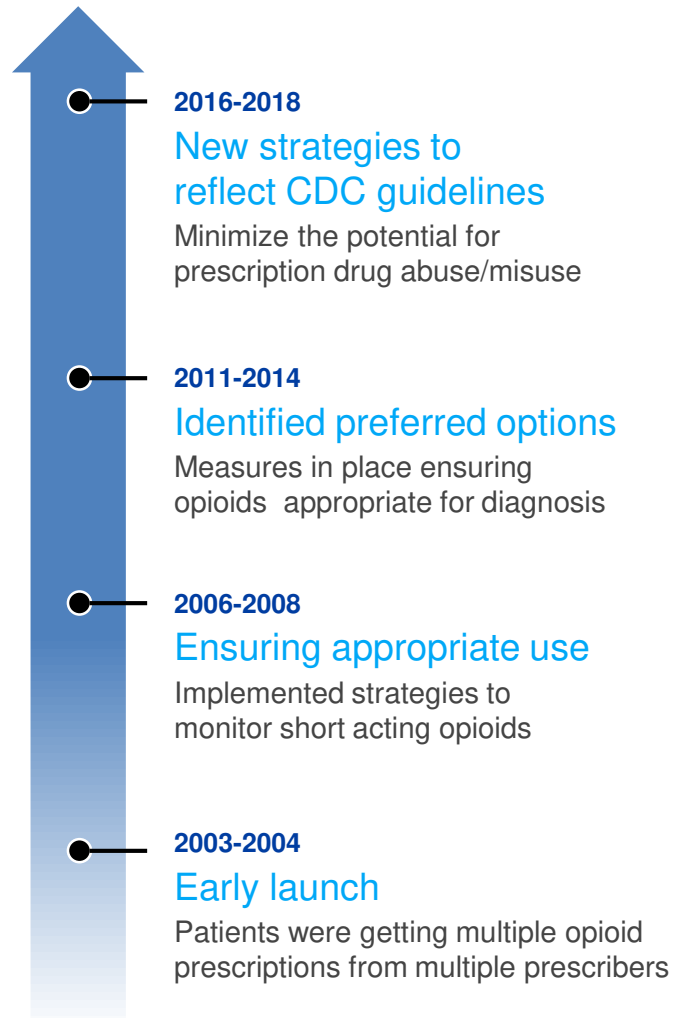
*Dx2Rx program currently includes: ADHD, MS, Narcolepsy, Dry Eye Syndrome, Post-herpetic neuralgia, Anticonvulsants. Future state: Immunomodulators, Pseudobulbar affect

Opioid Abuse: A National Health Care Crisis



1. Understanding the Epidemic: Drug Overdose Deaths in the United States Continue to Increase in 2015. Centers for Disease Control and Prevention. Accessed Aug. 25, 2107; 2. Kolodny A, Courtwright DT, Hwang CS, Kreiner P, Eadie JL, Clark TW, Alexander GC. The prescription opioid and heroin crisis: A public health approach to an epidemic of addiction. Annual Review of Public Health, 2015; 36:559-574; 3. The Underestimated Cost of the Opioid Crisis. The Council of Economic Advisors. November 2017; 4. FAIR Health Study: The Impact of the Opioid Crisis on the Healthcare System: A Study of Privately Billed Services, September 2016.

15 Years of Experience: Next Generation Opioid Model



- 2017**
- Updated criteria to reflect CDC Guidelines
 - Excluded market leader and highly abused OxyContin
 - Implemented limits based on morphine equivalents
 - Limited supply to <90 MED supply for long-acting opioids
 - POS messaging:
 - Pharmacist override required for opioid and Medication-Assisted Treatment (MAT)/buprenorphine
 - Alert for potential opioid use in pregnancy

- 2016**
- CDC Guidelines released
 - Education to doctors on our PA changes and outlier mailings

- 2014**
- PA and Medical Necessity for long-acting opioids
 - Step therapy implemented to drive non-opioid or preferred options
 - PA needed for diagnosis of any chronic pain

- 2011** Supply limits for long-acting opioids based on # of doses/day

- 2008** Supply limits put into place for combination short-acting opioids/acetaminophen

- 2006** Fentanyl PA requirement (short-acting opioids) implemented

- 2004**
- High Narcotic Utilization program implemented
 - Pharmacy Lock-in program implemented

2018 Planned Enhancements for Confronting the Opioid Epidemic



- 1 Cumulative morphine equivalent dose (MED) point of sale (POS) edit
- 2 New to therapy short-acting opioid supply limits
- 3 Refill too Soon Edit
- 4 Prescriber Edit verifying active Drug Enforcement Agency license
- 5 Concurrent Drug Utilization Review (DUR) to address combinations with opioids
- 6 Limiting dispensing to a 30 day supply at Home Delivery
- 7 Focused member educational mailings



Prevent

We use our **sophisticated data** and **analytics capabilities** to help us identify who is at risk in real time



Treat

We treat **opioid addiction like other chronic medical conditions**, offering extensive resources to ensure the right access and care



Support

Our **robust provider relationships** help us train health care professionals and promote appropriate opioid use and practices

PLEASE WELCOME!!

Josh Stein, JD

**Attorney General
North Carolina**

North Carolina
Business Group on Health

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Attorney General
Josh Stein

PLEASE WELCOME!!

Steven Schwartz, MBA

Vice President- Workplace Solutions Shatterproof: Stronger Than Addiction



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STRONGER THAN ADDICTION

Steve Schwartz

Spring NCBGH Meeting
“Employer Toolkit for Substance Abuse”

May 11, 2018

Our Mission

Shatterproof is a national nonprofit organization dedicated to ending the devastation that addiction causes families.



Addiction is a Public Health Crisis

1 in 3 Americans
are affected by
addiction,
including family
and loved ones
of the person
suffering.

Over 174
Americans die
every day from
drug overdoses.

Drug overdose is
the **#1 cause of**
accidental death
in the US,
recently
surpassing car
crashes.

THE PROBLEM:

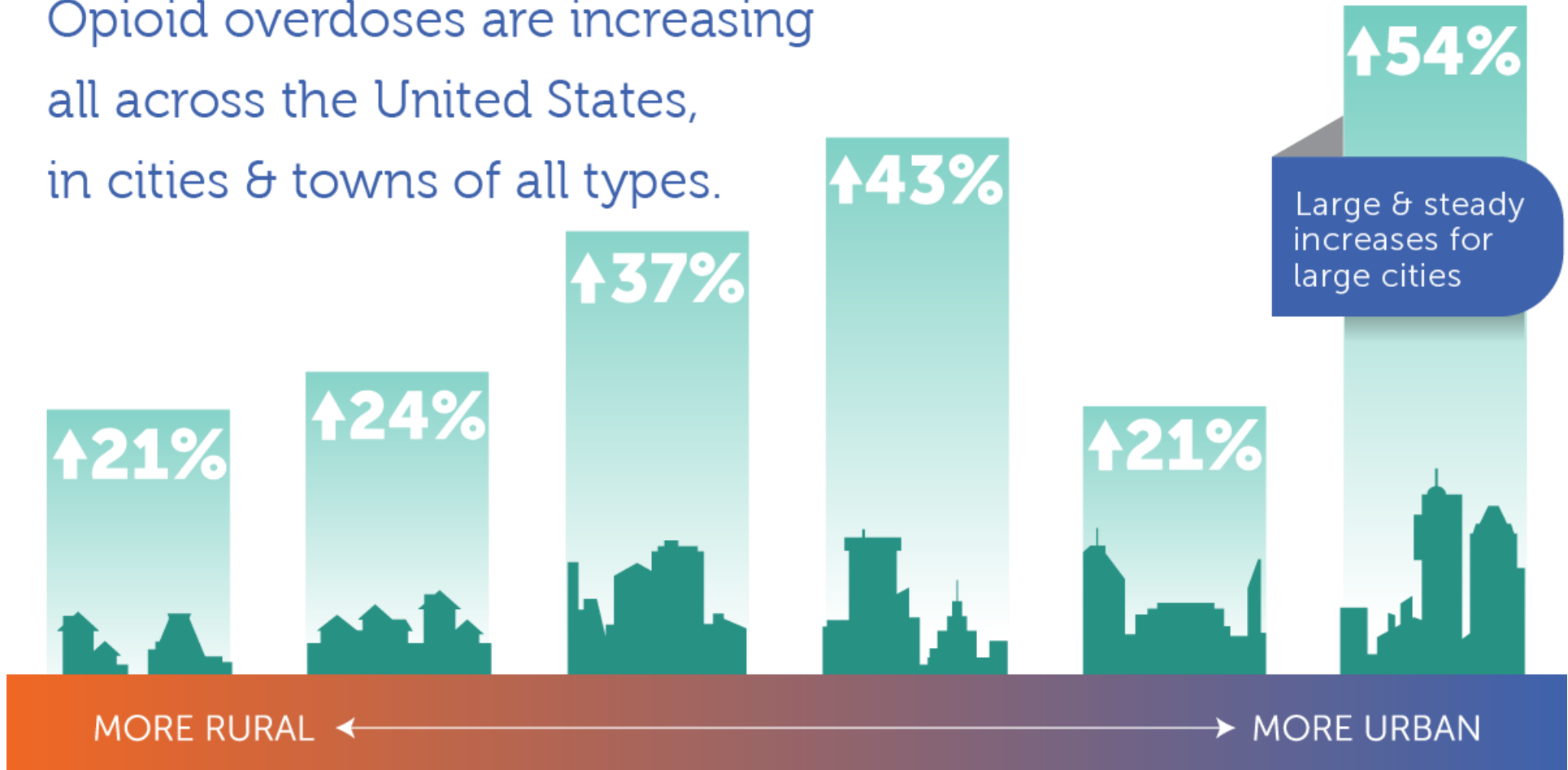
↑30%

Emergency department
visits for opioid overdoses
rose 30% from July 2016
through September 2017

SOURCE: CDC's Enhanced State Opioid Overdose Surveillance (ESOOS) Program, 16 states reporting percent changes from July 2016 through September 2017.

THE PROBLEM:

Opioid overdoses are increasing all across the United States, in cities & towns of all types.



SOURCE: CDC's Enhanced State Opioid Overdose Surveillance (ESOOS) Program, 16 states reporting percent changes from July 2016 through September 2017.

* From left to right, the categories are: 1) non-core (non-metro), 2) micropolitan (non-metro), 3) small metro, 4) medium metro, 5) large fringe metro, 6) large central metro.

Tremendous Cost & Need for Help

\$442 BILLION

estimated annual economic impact of
addiction

1 in 10

people receive any form of treatment
for substance use disorder

Why Should Employers Care

Healthcare costs for employees
who misuse or abuse prescription drugs are

3x

the costs for an average employee

\$ \$ \$ \$ \$

\$ \$ \$ \$ \$
\$ \$ \$ \$ \$
\$ \$ \$ \$ \$

Turnover
is significantly higher

Replacement costs an average of

21%
of employee salary

Employees with a
substance use disorder miss
50% more
workdays than their peers

Average cost of addiction
for every 1,000 people in
a workforce is

\$370,000

What Employers Can Do

1. **Identify** costs of untreated substance use disorders among workforce
2. **Educate** employees to reduce stigma & encourage treatment
3. **Build** corporate culture that eliminates stigma & supports recovery

Identify costs of untreated substance use disorder among workforce



<https://NSC.org/DrugsAtWork>

- Easy to use tool
- Computes costs of substance use
- Specific to industry, state and employee population



NORC
at the UNIVERSITY of CHICAGO

**SHATTER
PROOF**
STRONGER THAN ADDICTION

Identify costs of untreated substance use disorder among workforce



Real Costs of Substance Use in Your Workforce Results

YOUR COSTS

This report combines the latest research on employment costs with data from National Survey on Drug Use and Health (NSDUH) to calculate how much substance use in your workforce costs employers annually.

TOTAL COST: \$382,236



Lost Time

COST:

\$124,740



Job Turnover & Re-training

COST:

\$165,312



Healthcare

COST:

\$92,100

[Expand Cost Detail](#) ▼

Educate workforce – Shatterproof program

- Attitudes & Awareness Survey
- Workplace Education Program
- Employee & HR Resources
- Peer Addiction Management Coaching



Educate workforce

Attitudes & Awareness Survey

- Anonymous survey among employees & supervisors
- Measures:
 1. Attitudes toward disease of addiction and those who suffer from this disease
 2. Awareness of company resources available to help those with SUD
- Administered pre-implementation of program and 12 weeks post-implementation of program



Educate workforce

Workplace Education Program

- Online, self-paced, interactive learning program for employees & supervisors to educate about the disease of addiction
- Total program is approximately 2 hours
- Education Modules include:
 - Understanding Addiction
 - Recognizing Substance Use Disorder
 - What Getting Well Looks Like
 - Shame & Stigma
 - The Impact of Addiction
 - Myths & Facts
 - Supervisor Education



Educate workforce

Employee & HR Resources

- Online resources for employees & HR professionals
- HR resources focus on best practices in company policies and benefits related to SUD
- Launching in fall 2018



Educate workforce

Addiction Management Coaching

- Anonymous coaching provided by trained peers
- Delivered via telehealth platform by partner, FaceltTogether Health.
- Measurement includes assessment based on Recovery Capital Index





Learn more:

www.shatterproof.org

info@shatterproof.org

1-800-597-2557

We Invite You To Be Part of NCBGH FUTURE

- For those new members... we THANK YOU for joining NCBGH!
 - The board of directors of NCBGH has set annual membership dues at a very affordable rate of \$100 per company (2 members allowed from each company)
- Membership allows for:
 - Attendance at the 2 NCBGH membership meetings per year.
 - National Alliance for Healthcare Purchasers Membership
 - New NCBGH.org Social Media...stay connected...ask questions..share..network!
 - Most important the opportunity for you and your company to help to achieve the mission and goals of NCBGH.
 - Simple process, membership benefit and invoice will be emailed. Membership committee votes on applications.
 - Exclusive peer to peer networking, best practice lunches, membership meetings and new ncbgh.org networking coming soon!
 - For those who are joining us today who are not NCBGH members, we will reach out to you via email post meeting.



Special thank you to:

- Our members of NCBGH
- Our sponsors of NCBGH
- Our speakers today
- Our Board of Directors and Committee Chairs

Watch your inbox for details of the 2018 **FALL** meeting

Visit us often at www.ncbgh.org to stay up to date on things happening with NCBGH.

