Provider Summary of EAPG Drug Re-Weight Meeting 1/31/2020

Welcome Message and Meeting Etiquette (Slides 1-4, Time 00:00:00-00:02:03)

- Introductions
- 2020 Meeting Schedule
- Agenda
- Next meeting **February 14, 2020 1:00 pm-3:00 pm**

Screenshare of Drug Re-Weight Document (Time 00:02:03-01:20:20)

Purpose of Meetings and Overview of Increase/Decrease of Weights (Time 00:02:03-00:04:07)

Stakeholder Question with Department Response (Time 00:04:07-00:06:23):

Stakeholder Question: Can you help us understand how you determined the drugs that you are looking at, to make the determinations and a little more information around when you say some hospitals have greater resources, what that means?

Stakeholder Question with Department Response (Time 00:06:23-00:08:06)

Stakeholder Question One (1): Your crosswalk, so the drug that map in the crosswalk, the EAPG's.

Stakeholder Question Two (2): All the indices on that? So how does the drug map to EAPG, how do we know which drugs go to which EAPG's?

Stakeholder Question with Department Response (Time 00:08:06-00:11:40)

Stakeholder Question: I'm still trying to follow the logic and what the analysis was, the 18% shift, and how do you exactly come up with that?

Stakeholder Question with Department Response (Time 00:11:40-00:13:05)

Stakeholder Question: So, in regard to 340B, how did you make the count? The drugs at 340B hospitals will be less then the reimbursement is less, so how did you normalize the count for that?

Increase and Decrease also based on Utilization Profile (Time 00:13:05-00:15:41)

Department and Stakeholder comments were received.

Stakeholder Question with Department Response (Time 00:15:41-00:17:26)

Stakeholder Question/Comment: You mentioned you can share some aggregated information, I think that would be helpful in this conversation, and for the February 14 meeting. Just to let hospitals, like you said, they can take a look at their information and come up with using their claims, come up with their costs and what they're thinking their cost is for drugs and compared to how you are doing it with your claim numbers compare to your cost to charge ratio. I'm interested in how the cost of charge ratio that you are calculating compared to how hospitals are going to prepare it. I guess my question is, are you using the overall hospital cost to charge ratio, like total charges? Or are you using cost and 56 on the cost report, which is like drugs that are being recorded?

Stakeholder Question with Department Response (Time 00:17:26-00:19:40)

Stakeholder Question/Comment: I have a question, but I wanted to give everybody else time to ask. Sorry, would it be possible, because it seems like the drug profile of each hospital would also be important. Is there a way that you could share, and I don't know if it could be like individual hospitals, but instead of absolute numbers like percentages, you know, is that a way to get around PHI? Just so I understand, I don't even know what drug it is, but the hospital drug profile, this percentage is CPA and then the urban, but I was wondering if you could tell me if there was a way.

Stakeholder Question with Department Response (Time 00:19:40-00:22:39)

Stakeholder Question/Comment: Can you help us understand the vision for how this would play out? So, are you literally going to go into the EAPG rates by hospital? How are you going to do this?

Stakeholder Question/Comment: And will that require adjustments to the other known drug EAPG's?

Stakeholder Question/Comment: So, if you're a hospital that uses a lot of the high chemotherapy infusions specialty service lines, because those drugs are more expensive in that case, $10,000 for administration, you have a high volume there. You actually could end up having a higher reimbursement reduction, something that you were on the lower end.

Stakeholder Question with Department Response (Time 00:22:39-00:24:28)

Stakeholder Question/Comment: Can you confirm, is the differential listed on the slide an annual production or monthly?

Stakeholder Question with Department Response (Time 00:24:28-00:28:40)

Stakeholder Question/Comment: Can the proposed EAPG weights be provided so we can write it against our volumes?

Stakeholder Question/Comment: how often will we update these percentages?

Pros and Cons of Utilizing ASP as a Reference (Time 00:28:40-00:30:43)

Department and Stakeholder comments were received.

Stakeholder request for Department to review reimbursing by dose (including 340B) (Time 00:30:43-00:34:56)

Department and Stakeholder comments were received.

Goals and funding for a Drug Survey (Time 00:34:56-00:39:44)

Department and Stakeholder comments were received.

Budget impacts to drug reimbursement changes, forming formularies and possible drug restriction options (Time 00:39:44-00:44:52)

Department and Stakeholder comments were received.

Stakeholder Question with Department Response (Time 00:44:52-00:50:16)

Stakeholder Question/Comment: I have a question. And I guess this is for hospitals, so the long-term plan, the best-case scenario is July of 2022. Is there a way to get a validated way to get the cost in a point of time survey, like for now? Is that something that would be possible?

Stakeholder Question/Comment: Okay, I guess my question was, is there a way that a survey like that could be either redone, and I don't know because it sounds like I'm guessing the level of validation needs to be done is pretty significant, but could that be redone within the next five months? And, that could be more of the basis.

Stakeholder Question/Comment: And who is it that did the survey?

Stakeholder Question with Department Response (Time 00:50:16-00:54:23)

Stakeholder Question/Comment: I realize 340B reduced cost is factored into the model with the CCR's, but isn't that an additional discount to the medical Medicaid program with an additional 20% is taken due to the UD modifier? When you are looking at the cost of charge ratios and you are figuring out who is 340 B and then you are trying to account for what the weight would be, then you add 20% of the weight to account for the -20% for the 340 B calculation within the weight.

Stakeholder Question/Comment: Would you explain briefly for us, 340B 20% reduction policy?

JW Modifer: Will drug waste be reimbursed and why have the reporting requirement? (Time 00:54:23-00:57:55)

Department and Stakeholder comments were received.

Stakeholder Question with Department Response (Time 00:57:55-01:02:47)

Stakeholder Question/Comment: Can you share with every hospital on the information which is a lot of work but I don't know if that really gets to the cost to charge ratio, the panel of drugs that each hospital has, and I don't even know exactly where that's going but can you share that level of specific information that would allow hospitals to look at things. And it's still in my mind to the idea of how hospitals potentially split into peer groups. From what I understood so far, that does get more at kind of how we could potentially, how you all could potentially split. If that is the right direction.

Stakeholder Question/Comment: Looking to share more broad data, and if there's any template that is created that we can help distribute or something for hospitals, that makes it easier for hospitals to look at their own data. But you can put your own data in, and this is one model in this is another, and this is the impact, we are happy to share that.

Break (Time 01:02:47-01:03:35)

Stakeholder Question with Department Response (Time 01:03:35-01:09:00)

Stakeholder Question/Comment: So, we've got cost to charge ratio based on cost 73, pharmacy cost, 340 B, whether or not incorporates 340 B, I think that is whether or not it is the handle of the drugs, whether it is rural TPA or a large percentage. We've got something, I guess, what are the ways that you could potentially put it into peer groups? So, so say you got all that information, that is something I don't know yet, so I just wanted to see.

Stakeholder Question/Comment: Is it possible to come up with one and maybe it is weighted, I'm not sure, but come up with one number, and for every hospital, you result in this one number. Then we have a conversation of okay, within this hospital, then you know how you divide it.

Stakeholder Question with Department Response (Time 01:09:00-01:10:53)

Stakeholder Question/Comment: I know this is more of a holistic picture but how do you see this interim fix impacting the long-term project that we are talking about?

Closed Caption Transcript to be Posted Request (Time 01:10:53-01:12:00)

> The Department will get the transcript posted in a friendly format to the Hospital Stakeholder Meeting Webpage as soon as possible.

Verbal Survey or Support or Non-support for Re-Weight as currently presented (Time 01:12:00-01:16:20)

> Department and Stakeholder comments were received.

Stakeholder Question with Department Response (Time 01:16:20-01:19:32)

Stakeholder Question/Comment: Is it feasible to add additional EAPG categories, will be considered to be the higher weight?

Stakeholder Question with Department Response (Time 01:19:32-01:24:30)

Stakeholder Question/Comment: Kevin, I don't know if you're able to do this but, and to have it all in my notes, but can you summarize with that additional information is that we will be looking at?

Stakeholder Question/Comment: Could you provide that for the other two categories that are held neutral as well?

Stakeholder Question with Department Response (Time 01:24:30-01:26:48)

Stakeholder Question/Comment: Late suggestions potentially for further information at the next meeting, several other EAPG states have high-cost add-ons to account for dosing, etc. Check with states like Ohio, Virginia, etc., just a thought, thanks.

Closing Remarks (Time 01:26:48-01:28:08)