**Pharmaceutical Subcommittee Meeting**
Dialogue with Jennifer Zacher, VA PBM
Sept. 25, 2019

DRAFT

Jennifer Zacher, Assistant Chief Consultant with the VA's Pharmacy Benefits Management Services joined the Coalition's Pharmaceutical Subcommittee for a briefing and Q&A. The following are notes on the discussion.

Ms. Zacher noted that FY 2020 is a time of change and big initiatives for VA. Three of these initiatives are the following:

1. **Modernizing E-Healthcare Records**: VA is shifting from maintaining its own records to Cerner. Lots of work has already been accomplished, and VA's 1st site is set to go live in March 2020. Jenn noted that this is exciting from her perspective, as VA will be able to meld commercial best practices into what VA is doing already currently. Jenn indicated that the roll-out will occur over multiple years. PBM's focus is on the centralized drug file that will be shared between VA & DoD. Jenn highlighted that this does not mean that the two agencies will be sharing formularies. PBM's goal is to have more consistency within the drug file, especially as it pertains to criterias for use.

2. **VA's National Formulary and Prior Authorization**: although originally pushed in 2013, VA is now finalizing the revamp to its formulary. Products will be designated as either (a) Formulary (no Prior Authorization); (b) Formulary (with a Prior Authorization requirement); and (c) Non-Formulary. For drugs falling under the Formulary w/ a PA requirement, there are three types of PAs – local level; VISN level (no drugs at this level right now); and National level (only four drugs are currently at this level). Jenn believes that the National level Prior Authorizations will grow over time so that there is consistency across the adjudications, but also noted that there is currently a staffing issue. A pilot program with VISN 21 is being developed. From PBM's perspective, they are well underway in their review of prior decisions over the last two decades. Note: previously-established criterias for use remain in effect unless changed during this process.

3. **Mission Act / Community Care Network (CCN)**:

    a. During the switch from Choice to Mission, there has been the addition of an urgent care benefit for Vets. Able to get treated w/o having to get an authorization.
    b. CCN: VA is looking to reign in the local contracts. These patients need an authorization in hand before seeing the CCN healthcare provider. PC3 contract will be aligned to this as well. A very limited prescription benefit. Urgent / emergent meds only. Super-small formulary of 64 items (posted on PBM's website). Prescriptions are for a maximum of 14

days or less. VA Pharmacies will continue to fill the vast majority of prescriptions for Vets still. Jenn also indicated that VA doesn't anticipate any data integrity issues – someone posed this as a question for Jenn to address – as community care providers aren't buying off of VA's contracts but instead are obtaining through other means.

c. There was a question posed from a member regarding whether VA has any current metrics / statistics re patients within the CCN. Jenn stated that there aren't any true metrics that she currently has access to, but expects to have these statistics in the future.

Regarding **VA PBM's review of new drugs**, VA receives a weekly feed from FDA on new products and indications. This feed goes into a queuing system. VA reviews them all, but there are a lot of drugs to review, especially in oncology. Important to note that VA only has two pharmacists doing oncology drug reviews. Jenn highlighted that drugs can and are used prior to the completion of a national review. Patients with a clinical need can be prescribed a new drug so long as there is a clinical explanation provided to Pharmacy. In these situations, the local facility's job is to determine the proper way to adjudicate. However, after the national determination has been made, local facilities have to apply the national criterias for use / formulary determinations.

Jenn noted that earlier in September the **new solicitation for the next Pharmaceutical Prime Vendor distribution contract** was posted onto FBO.GOV. In speaking about VA's PPV, James Lovell – a federal healthcare center that jointly services Va and DoD patients – this facility will no longer be purchasing through the VA PPV but will instead just be obtaining product through the DoD PPV system. Thus, James Lovell will gain access to DAPA pricing but will lose access to VA ONLY temporary price reductions under the FSS.

Regarding **VA PBM's new Public Law Database Manager**, Jenn pointed out that last season was rough due to the change in personnel late in the year but thinks that things will be a lot more efficient going forward. Jenn thinks that Cheryl, the new PL database manager, is very responsive to people's needs. PBM has also assigned a back-up to Cheryl's position. Jenn also noted that the CPI-U should be released in mid-October.

Regarding the questions posed to Jenn on VA ever considering **regulations for the guidance included within the Dear Manufacturer Letters** and if and when VA will update its **guidance on covered drug classification issues**, Jenn noted that industry should expect more to come on both topics in the future but she did not want to speak or comment prior to VA's entire Public Law Policy Group being able to carefully consider the issues and formally chime in.

On **ICER & VA's relationship**, they maintain a highly collaborative relationship and VA and ICER have regular meetings on the books. But Jenn clearly noted that ICER reports are just one data point that VA examines in making its formulary determinations.

A member asked Jenn what VA's FY 2020 Cost Avoidance goals are. Jenn indicated that **VA's FY20 Formulary Savings Opportunities** (which are not required but voluntary, but are vetted with clinicians with many repeats carried over from FY19) include the following:

- Greater utilization of national contracts
- GLC1 (diabetes injectibles) – using the most cost-effective products
- Viagra / Cialis generics – continued conversion as these brands have come off of patent

- Pregavalin (which just went generic) – national contract is in the process of being established
- Increased CMOP Penetration for out-patient dispensing, e.g. 90-day fills instead of 30-day prescriptions

VA isn't forcing off label use; rather, Jenn stated these formulary savings opportunities are to be applied voluntarily and when clinically feasible.

Regarding **VA Pharmacy's Industry Liaison**, Jenn noted that she is it, not Mike Valentino or Tom Emmendorfer. VPEs will also engage in industry contact, but they are constantly on travel. Although Jenn is limiting her meetings and phone calls, and is taking longer than usual to respond to emails, while she is doing the job of three people, she does remain the POC for industry (not the VPEs).