

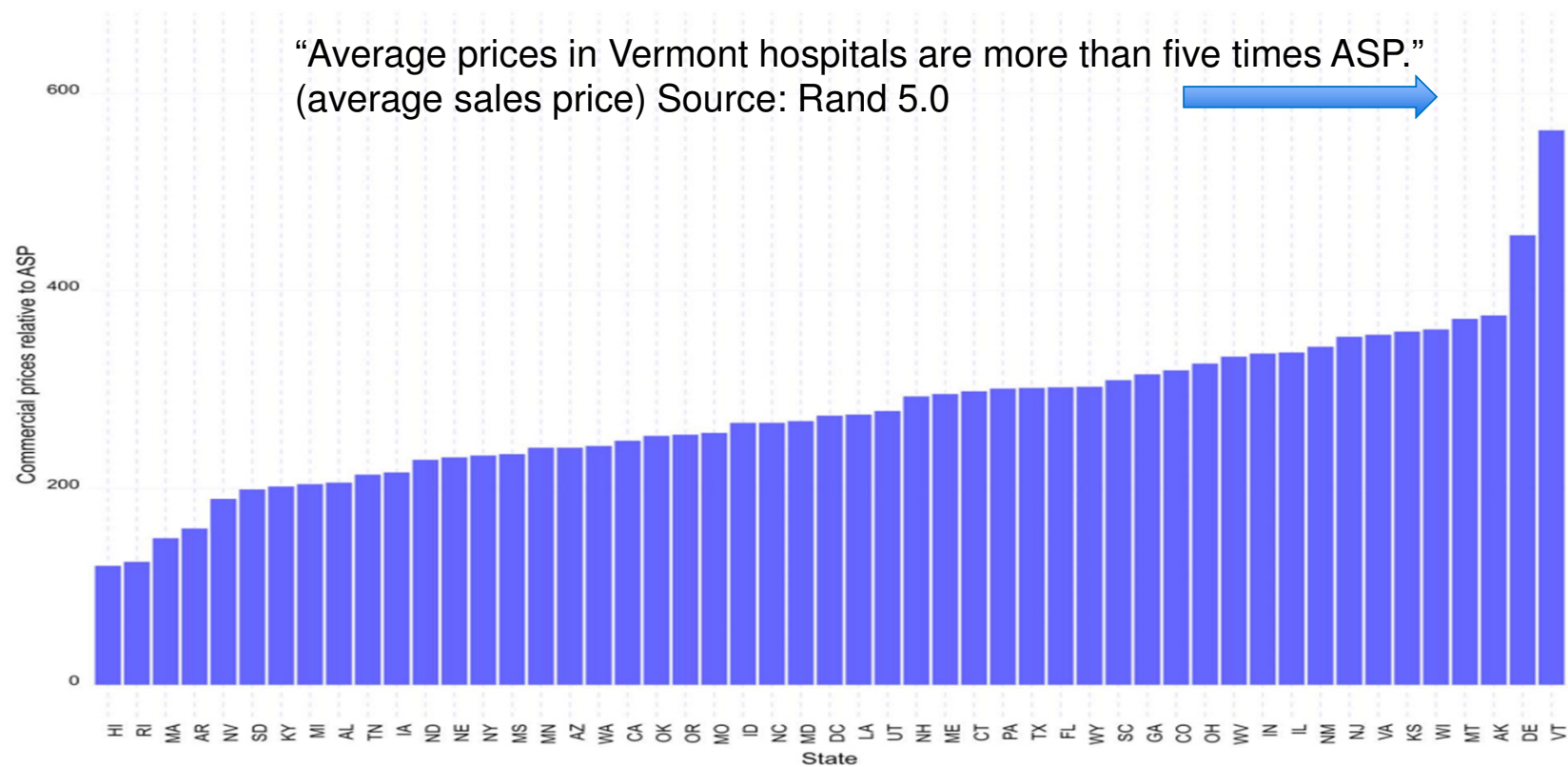
BLUE CROSS VT 340B TESTIMONY

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COMMERCIAL DRUG PRICE COMPARISON IN HOSPITALS, BY STATE

Figure 4.7. State-Level Hospital-Administered Commercial Drug Prices Relative to ASP, 2020–2022

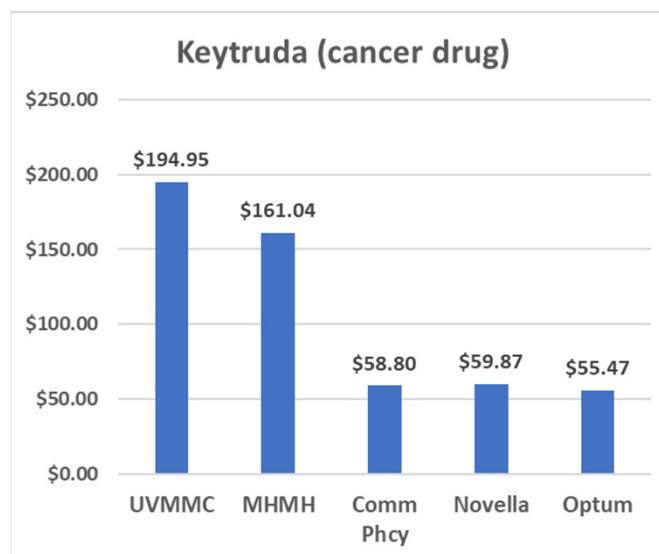
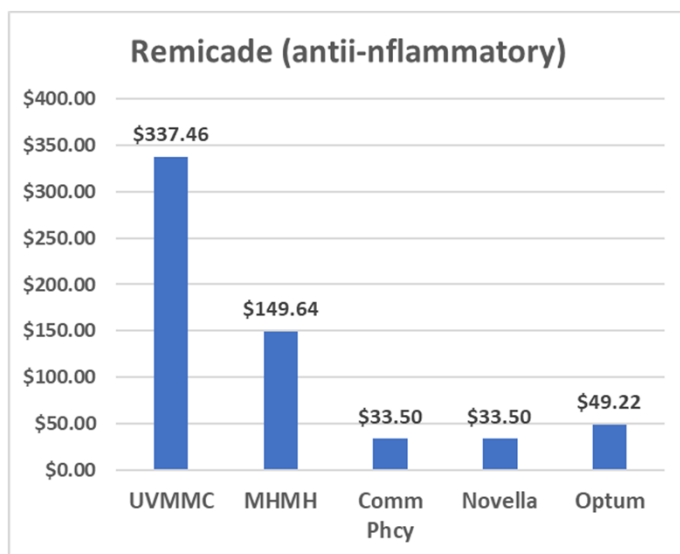


340B COMMERCIAL PAYER DRUG PRICING

- The RAND 5.0 report found that national commercial prices for administered drugs received in hospital settings averaged 280% of the average sales price or ASP.
- **UVMHC's current mark-up from ASP on all of the following drugs is over 1,000%, posing a significant hardship for our members:**
 - Inflectra = **1,550%** (anti-inflammatory/autoimmune)
 - Kanjinti = **1,487%** (cancer)
 - Neulasta = **1,161%** (reduces infection)
 - Remicade = **1,112%** (autoimmune diseases)
 - Ruxience = **1,031%** (cancer)
- All of these expensive drugs are obtained by UVMHC for far less than the ASP through the 340B program.*



OUTPATIENT DRUG COST BY SITE OF CARE



- Vermonters covered by BCBSVT pay **\$32 more** per member, *per month*, than the national benchmark for injections and infusion drugs, administered through hospitals*
- These costs are increasing faster as well – by almost \$5 per member, per month more than the national benchmark*

KEY

UVMHCN = University of Vermont Health Network

MHMC = (Dartmouth) Mary Hitchcock Medical Center

Comm Phcy = Community medical drug pharmacy

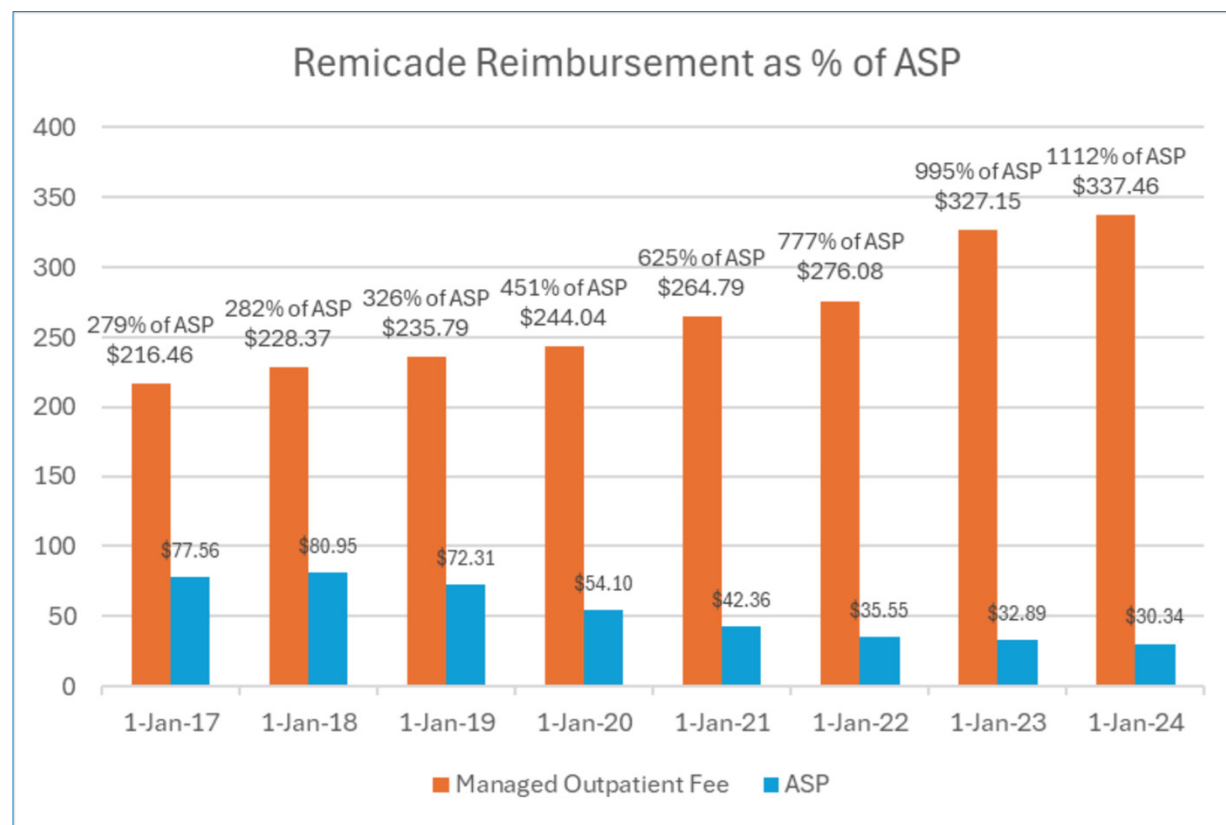
Novella = Vermont community drug infusion center in S. Burlington

Optum = Optum medical drug pharmacy

* Blue Health Intelligence Date (BHI), which leverages multiple data sources (217M members) to provide insights into health care quality, reduce costs, and enhance outcomes for Blue plans

REMICADE PRICING OVER TIME COMPARED TO THE AVERAGE SALE PRICE (ASP) 2018-2024 AT UVMHC

- Remicade is a costly medication for Blue Cross VT members.
- From 2017 to 2024, the Average Sales Price (ASP) of Remicade declined, while its charges are rising annually, now reaching approximately 1,112% of ASP.
- This does not factor in UVMHC's 340B acquisition discount, which is unknown but likely significant.*
- Over this period, Remicade's 56% price increase has generally aligned with the GNCB-approved budget growth of 52%.



VERMONTERS PAY MORE \$\$

- Rebates are not available for 340B drugs. The loss of rebates when drugs are filled through a 340B pharmacy cost our members **\$12.6 million** last year
- If BCBSVT was able to obtain these drugs through our PBM instead of paying the hospital price our members would save an **additional \$41.8 million on our 50 highest price drugs in VT**. Of this \$33.0 million goes to UVMHN. The Legislature effectively banned “white bagging.”
- BCBSVT members pay full price or more for 340B drugs.
- Higher drug costs result in higher insurance premiums.



340B DATA AND REBATE LOSSES

- **For FY2024**, if Blue Cross VT had the same rebate exclusion rate at DHMC and UVMMC as we did at Optum pharmacy, **the rebates for our members would have been about \$12.6M higher.**
- **Our 340B “reject” rate means the portion of prescriptions for which we do not collect rebates on those drugs. The higher the reject rate, the more our members pay for their drugs.**
- As demonstrated by the high reject percentage in the chart, UVMMC excels at optimizing the 340B program to generate revenue for the hospital.

| Pharmacy | Claims | Generic Claims | 340b Claims | 340b Reject % |
|-----------|--------|----------------|-------------|---------------|
| Dartmouth | 1823 | 153 | 311 | 17.1% |
| UVM | 2592 | 416 | 1184 | 45.7% |
| Optum | 2779 | 352 | 152 | 5.5% |