Oklahoma’s Approach

- Oklahoma’s goal was to negotiate a mutually beneficial APM contract with a manufacturer
  - Pave the way for future contracts between Medicaid programs and manufacturers
  - To engage in different types of agreements
  - Share lessons learned with others
  - Anything is on the table for discussion
  - Not all agreements are focused solely on initial cost of product
- Utilize PMC research team for analysis of all findings (inclusive and exclusive of the agreement)
- Worked with CMS to get approval of a State Plan Amendment (SPA)
  - Supplemental Rebate format is outside of “Best Price” implications
Contact with Manufacturer

- Have had conversations with over 30 manufacturers
  - #3 prefer a data research/collaboration agreement → APM
  - #3 could not reach an agreement
  - #13 opted out or not responded lately
  - #7 still in discussions (#3 future products)
  - #4 executed agreements
  - #2 discussions around products not yet on the market

- Manufacturer Interactions
  - Receptive and non-confrontational
  - Very beneficial for manufacturer to bring ideas to the table
  - Understanding of the Medicaid environment
  - Required management of data requests

Executed Contracts

**Alkermes**
- Long-acting injectable antipsychotic
- Adherence

**Melinta**
- IV antibiotic
- Overall costs and potential savings

**Eisai**
- Antiepileptic
- Reduction in hospitalizations

**Janssen**
- Long-acting injectable antipsychotic
- Population adherence (Phase 1)
- Phase 2 will include clinical outcomes

**Collaboration Agreements**
- 3 agreements currently in place
- Population characterization
Conclusions

- APMs provide opportunities to promote potential cost savings and improve health outcomes but diligent work may be required
- A large amount of APM options to be explored
  - May be appropriate to start small just to get the ball rolling and get through some of the initial hurdles
  - May take some time to see the full results
- Our goal is to share outcomes as they are available with hopes other states can follow with much less work and challenges
- Watch for “Pay Over Time” models as they will present a new set of challenges