

MMCAP Value

Virginia
Joint Commission
on
Health Care

Behavioral Health Care
Subcommittee

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MMCAP Team

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MMCAP Mission

Minnesota Multistate
Contracting Alliance for Pharmacy

Ensure best value for pharmaceuticals and health care products and services to government facilities across the nation.



What is MMCAP?

- National GPO for government facilities that provide healthcare products & services
- Operated by the State of Minnesota, Office of State Procurement and self funded
- Competitively bid contracts following stringent MN procurement guidelines
- Over 9,000 members in all 50 states and Washington D.C.
- Membership is free, participation is voluntary



Pharmacy Program Contracts

Products	Services
Pharmaceuticals	Wholesale Distribution
Influenza Vaccine	Prescription Filling
General Vaccines	Repackaging
Diabetes Supplies	Returned Goods Processing
Nutritionals	Pharmaceutical Waste Disposal
Vials and Containers	Invoice Auditing
Emergency Preparedness	Clinical Pharmacy Program (Staff)



Healthcare Products & Services Program Contracts

Products	Services
Medical Supplies	Service for Med Equipment
Dental Supplies	Service for Dental Equipment
Drug Testing Products	Third Party Administration With SAMHSA Certified Labs and Legal Service
Condoms	
Laboratory Supplies	



Virginia & MMCAP

- 138 active members in Virginia using MMCAP
 - Pharmacy
 - Rx, Vaccines, HIV/Hep-C, Injectables, Narcan/Naloxone, Nutritionals and more
 - Influenza Vaccine
 - Returned Goods/Reverse Distribution
 - Medical Supplies & Equipment
 - Dental Supplies & Services
 - Prescription Fill Service (VA DOC 10/1 start date)



Virginia & MMCAP

Program Usage

- Pharmacy \$42,653,210
- Influenza \$ 1,049,802
- Medical Supplies \$ 3,263,225
- Dental \$ 35,605
- Prescription Filling – DOC using as of 10/1



Virginia & MMCAP

MMCAP ID	Facility Name	City	State
46000101	VIRGINIA DEPARTMENT OF HEALTH	Richmond	VA
46000401	EASTERN STATE HOSPITAL PHCY	Williamsburg	VA
46000601	Western State Hospital	Staunton	VA
46000301	HIRAM W DAVIS MEDICAL CENTER	Petersburg	VA
46005201	PIEDMONT GERIATRIC HOSP (MMS)	Burkeville	VA
46000502	CENTRAL VA TRAINING CTR PHCY	Lynchburg	VA
46001401	NORTHERN VA MENTAL HEALTH INST	Falls Church	VA
46001301	SWMHI SOUTHWSTRN VA MNTHL HLTH INST	Marion	VA
46001701	CATAWBA HOSPITAL	Catawba	VA
46012701	Sitter & Barfoot Veterans Care Center	Richmond	VA
46000801	SOUTHERN VA MENTAL HLTH INST	Danville	VA
46002601	COLLEGE OF WILLIAM & MARY	Williamsburg	VA
46002101	SCHIFFERT HEALTH CENTER PHCY	Blacksburg	VA
46001201	FAIRFAX COUNTY HEALTH DEPT	Fairfax	VA
46006001	Virginia Veterans Care Center	Roanoke	VA
46000901	SOUTHWESTERN VA TRAINING CTR	Hillsville	VA
46003401	Central State Hospital	Petersburg	VA
46000501	CENTRAL VA TRAINING CTR WAREHS	Madison Heights	VA
46001902	VCU STUDENT HEALTH PHARMACY	Richmond	VA
46003101	COLLEGE OF VETERINARY MEDICINE	Blacksburg	VA
46006701	Central Virginia Health Services	New Canton	VA
46022601	Facilities Management Accounting	Harrisonburg	VA
46013201	James Madison University Health Center	Harrisonburg	VA
46003901	SOUTHEASTERN VIRGINIA TRNG CTR	Chesapeake	VA
46020501	Northern Virginia Emergency Response System Hospital Alliance	Sterling	VA
46010501	Charlottesville Free Clinic	Charlottesville	VA

SAE Role in Virginia

- Contact with the Commonwealth Membership (existing and possible new)
- Ensure member retention through awareness of valuable contracts
- Attend Trade Shows (recently attended VSA, DGS Connect Forum, NAFC)
- Perform Business Reviews
- Hold State Overview Meetings (David Huertas, DGS & Michele Thomas, DBHDS)
- Work with State CPO
- Training and Support to Virginia Members
- Educate Members on MMCAP Contracts
- Communicate Customer Concerns w/ MMCAP Office
- Communicate Industry Trends to Office
- Help Identify Potential Issues

Peer to Peer Communication



Virginia Value Opportunities

- Increase MMCAP contract use in
 - Corrections – jails, juvenile, probation
 - Universities and community colleges
 - First responders
- Increase use of MMCAP contracts for
 - Narcan
 - Medical Supplies
 - Dental Supplies



Cost Savings in Pharmacy

Recent market basket comparisons reveal significant MMCAP savings in key customer classes of trade:

University Student Health	Department of Corrections	County Jail	Department of Health	State Hospital
12.9%	5.9%	39.8%	10.7%	4.6%
10.7%	6.2%	26.7%	5.7%	2.5%
24.6%			46.3%	

Each state may optimize value by increasing its volume tier and selecting prompt payment terms.



Ensuring MMCAP's Superior Pricing

- Pharmaceutical Contracting Periods:
 - Generic every year
 - Brand every four years
- Aggressive price negotiations throughout contract term
- Leverage member volume purchases
- Monitor off-contract purchasing to identify products that should be added to contract
- Open and fair competition following stringent MN procurement law and policy; negotiate best value
- Competitive pricing collected and analyzed
- WAC reports monitored for pricing changes



MMCAP Shareback Credit

- Vendor administrative fees are collected by MMCAP for its efforts in:
 - Consolidating, maintaining and growing membership. Standardized contracting with manufacturers and wholesalers. Resolving member issues.
- A portion of vendor fees are used to fund MMCAP operations
- 100% of unused vendor fees are returned to MMCAP facilities as a wholesaler credit
- Amount returned is based on contract purchases
- Admin fees paid by vendors range from 0 to 3% per industry standard and vendor practices



Pharmaceutical Distribution Contracts

- Negotiated to benefit government members
- Volume tiers for COGs discounts
- Payment term options
- 5 free deliveries per week
- 12 free emergency deliveries annually
- Wholesaler re-negotiations of COGs discounts saved \$ millions across membership



National Value Opportunities

- Formulary implementation
- Treatment guidelines
- Continuity of care –for patient transition from Corrections to Mental Health
- Corrections use of 340B (340B through MMCAP adds to state volume discount)



Pharmaceutical Trends & Response

1. Expensive Medications

- MMCAP works with AGs across the US on projects for price increases, drug shortages, competitive products
- Over 30 states have introduced bills targeted at regulating drug prices

2. Specialty Drugs

- MMCAP offers the synergies with each wholesaler's specialty program
- High cost / limited distribution

3. Biologics

- MMCAP negotiates discounts on products for which the manufacturer will contract
- MMCAP negotiates contracts for biosimilars



Pharmaceutical Trends & Response

4. Opioid Epidemic and Narcan

- National crisis that affects public health as well as social and economic welfare
- Governments suing physicians, manufacturers and distributors of opioids
- MMCAP contracts for overdose reversal solutions

- **Narcan Nasal Spray**
 - \$75 per package of two doses.
 - Available through Virginia's MMCAP contracted wholesaler
 - Contains 4 mg of naloxone

- **Naloxone pre-filled syringes**
 - 2 mg/2ml, used with atomizer

- Purchases receive wholesaler COGs discounts and shareback credit

Pharmaceutical Trends & Response

5. Hep C Virus treatment – costs decreasing

- MMCAP contracts for emerging drugs
- MMCAP pursues price decreases on established drugs

6. Generics – fewer manufacturers so costs rising

- Mergers & acquisitions
- MMCAP works with Healthcare Supply Chain Assoc. (HSCA) to aid Congress and FDA on faster new drug approvals
- MMCAP performs annual generic price re-bid to lower contract pricing
- MMCAP offers generic choices including wholesaler generics programs



MMCAP: Contact Us

Questions?

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