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# HEALTH PLAN OF SAN JOAQUIN (HPSJ) CEO PRESENTS AT NATIONAL ACAP GATHERING – "MANAGING HIGH-COST PRESCRIPTION DRUGS"

(French Camp, CA) – Health Plan of San Joaquin (HPSJ) CEO Amy Shin was a presenter at the national Association for Community Affiliated Plans (ACAP) 2015 Spring Board Meeting, on March 18, in Portland, Oregon. Her topic was: Managing High-Cost Prescription Drugs.

Because of their high cost and potential utilization, the recently approved prescription drugs for treatment of hepatitis C have received much attention in California and nationwide. However, there are many high-cost drugs and biologics entering the market for a variety of conditions. These range from genetically-typed cancer drugs to orphan drugs developed to treat conditions such as cystic fibrosis. ACAP members heard what regional and community-focused health plans – like HPSJ – are doing to better manage the influx of specialty drugs while maintaining access to quality patient care and assuring long range fiscal viability for the plans.

Presenting to the ACAP meeting, Shin, an ACAP board member, said that left uncontrolled, such costs are not sustainable. Shin focused on five disease categories with high drug treatment costs (cancer, hemophilia, rheumatoid arthritis, pulmonary hypertension, and Hepatitis C), how many HPSJ members were treated, and the resulting impact on overall HPSJ drug costs (March 1, 2014 through February 28, 2015). During that time, 453 (.00151%) of HPSJ's almost 300,000 members were treated with \$11.2M in prescription drugs, representing 12% of HPSJ's \$94.2M annual drug expenditure.

Shin described the recently implemented reimbursement methodology adopted by State of California for its Medi-Cal beneficiaries with Hepatitis C designed to both conserve limited resources and at the same time provide timely, high quality health care that would have the best possible outcomes for patients.

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In February, Shin testified before the California Senate Committee on Health for a hearing on "Making Health Care Affordable: What's Driving Costs?"

Shin, who has a Pharm.D. from the University of Southern California, told Health Committee members: "It has been increasingly difficult to control costs because the health plan has no control over two major costs -- inpatient services and pharmaceuticals. Drug prices are going up across the board, stretching already thin budgets for many local health plans that provide health coverage to low-income families in California. We've seen a 27 percent increase in generic drug prices over the last two years. Medi-Cal plans like ours are hit especially hard by high-priced specialty drugs."

### ABOUT ACAP

ACAP is a national trade association representing 59 nonprofit safety net health plans in 24 states and the District of Columbia. Eighteen ACAP members participate in the health insurance marketplaces in their respective states. ACAP's mission is to strengthen non-for-profit Safety Net Health Plans in their work to improve the health of lower income and vulnerable populations. Collectively, ACAP plans cover nearly 12 million lives, more than half of individuals enrolled in Medicaid-focused health plans.

#### ABOUT HEALTH PLAN OF SAN JOAQUIN

HPSJ is a not-for-profit health plan initiative developed by San Joaquin County, has been serving members and the community since 1996. HPSJ is the leading Medi-Cal managed care provider in San Joaquin and Stanislaus counties. As San Joaquin Health Administrators, HPSJ also acts as a licensed third-party administrator to San Joaquin County's own employee health plan. For more information, visit <u>www.hpsj.com</u>.

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**Photo:** Amy Shin (photo credit: Health Plan of San Joaquin, January 2015) High quality image at – <u>http://www.hpsj.com/wp-content/uploads/2015/03/AmyShin.zip</u>

#### Media Contact:

David Hurst, Vice President, External Affairs Health Plan of San Joaquin Phone: 209-461-2241 Text: 916-802-3734 <u>dhurst@hpsj.com</u>

San Joaquin County / Headquarters: 7751 South Manthey Road, French Camp, CA 95231 Stanislaus County Office: 1012 10<sup>th</sup> Street, Modesto, CA 95354