



# Conflict of Interest Training

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# Agenda

- Applicable Laws & Policies
- Intent
- Examples
- Procedures
- Questions

# Executive Order 2018-06

1.) The Arizona Health Care Cost Containment System (AHCCCS) shall annually provide mandatory conflict of interest training to all members of the Pharmacy and Therapeutics Committee.

# Executive Order 2018-06

2.) AHCCCS shall publicly post all disclosure forms for all members of the Pharmacy and Therapeutics Committee must abstain from vote if conflict of interest exists.

# Executive Order 2018-06

3.) In accordance with Arizona Revised Statutes Title 38 Chapter 3 Article 8, any member of the Pharmacy and Therapeutics Committee who has a conflict on any agenda item shall abstain from participating in the discussion of and voting on that agenda item.

# Executive Order 2018-06

4.) AHCCCS shall adopt a policy requiring any individual providing in-person or written testimony at meetings of the Pharmacy and Therapeutics Committee to disclose whether they represent a pharmaceutical or medical device company and whether they have received any form of payment or compensation from a pharmaceutical or medical device company.

# Executive Order 2018-06

5.) AHCCCS shall review publicly available data on payments by pharmaceutical and medical device companies to physicians to determine an appropriate threshold above which a person shall be disqualified from serving on the Pharmacy and Therapeutics Committee.

# AHCCCS Contractor Operations Manual Ch. 111

## Section III(B)(4)

- Committee members **shall not**:
  - a. Be employed by, subcontract with, or directly or indirectly represent a pharmaceutical manufacturer,
  - b. Be employed by, subcontract with, or directly or indirectly represent a Pharmacy Benefits Management (PBM) company, or
  - c. Receive payments or compensation from the pharmaceutical industry in excess of the CMS Open Payments database US Mean, including the Specialty Mean, if available, for the most recent year.



# AHCCCS Contractor Operations Manual Ch. 111: Appendix A Disclosure Form

## ***Disclosure:***

- Any financial relationship, affiliation, or other relationship
  - May include, but is not limited to: being employed by, being on retainer, having research or honoraria paid by, or receiving other forms of remuneration
- With any organization
- That may have a direct or indirect interest in business that may be considered by the Committee
- Within the past 24 months

# Arizona Statutes for All Public Officers

- **A.R.S. § 38-503** requires disclosure *and* abstention as set forth in Executive Order 2018-06. It pertains to a “substantial interest in” a contract, sale, purchase or service to the public agency.
  - Applies to officers and their “relatives”: spouse, child, child's child, parent, grandparent, brother or sister of the whole or half blood and their spouses and the parent, brother, sister or child of a spouse.
- **A.R.S. § 38-504**
  - **(A)** No representation, for compensation, any person or entity to the Committee while serving or for one year afterward.
  - **(B)** No disclosure or use, for profit, of confidential information obtained while on the committee or for two years afterward.
  - **(C)** No use of Committee member status to “secure any valuable thing or valuable benefit” if it “is of such character as to manifest a substantial and improper influence on” duties as a committee member.

# Integrity, Impartiality and Financial Interests

*Are there incentives to approve drugs that do not meet criteria?*

- Financial relationships can influence decisions on drug coverage that should be made based on empirical data.
  - Covered drugs should be safe, effective, clinically appropriate, and the most cost-effective
- Minimizing financial interests in the decision-making process helps ensure impartiality in the development of the Drug List, maintaining the integrity of pharmaceutical coverage.

# Examples

*Scenario: The Committee is discussing whether it should delete Pneumovax from the Drug List because of reported correlations with Guillain-Barre Syndrome.*

- **Example 1:** You own stock in Merck. Does it matter how much Pfizer stock you own? Is it on your disclosure form?
- **Example 2:** You're a physician who prefers Prevnar to Pneumovax, or vice versa.
- **Example 3:** You're a paid consultant on Prevnar (or Pneumovax).
- **Example 4:** Your spouse is a paid consultant on Pneumovax.
- **Example 5:** Your cousin's spouse is a Pfizer employee.

# More Examples

- What are subcontracts?
  - Consulting? Honoraria? Licensing/royalty fees?
- If you speak at a continuing education program about a drug manufactured by the program's sponsor, do you directly or indirectly represent the pharmaceutical manufacturer?
- If you sell your stock in Pfizer, can you now vote on the inclusion/exclusion of Pfizer's products from the Drug List?

# Disclosure Procedures

- Before a Committee member participates in their first Committee meeting, Committee members shall submit the completed Conflict of Interest Disclosure Form and disclose any potential conflicts of interest with respect to their participation in Committee business.
- Committee members shall update their Conflict of Interest Disclosure Form no less than annually from the date of first completion, and additionally no later than 30 calendar days from any change to the information in the existing Conflict of Interest Disclosure Form. The form shall be submitted to AHCCCS at [AHCCCSPharmacyDept@azahcccs.gov](mailto:AHCCCSPharmacyDept@azahcccs.gov).
- Committee must consider disclosure forms. Committee members must abstain from votes when there is a potential conflict of interest.

# Questions?

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