



**Oregon Prescription Drug Affordability Board Meeting
Wednesday, September 21, 2022**

Minutes

Approved by the board October 19, 2022

Call to Order and Roll Call

Chair Akil Patterson called the meeting to order at 9:32 a.m. and asked for the roll call.

Board Members and Alternate Members Present: Shelley Bailey, Richard Bruno, Daniel Hartung, Akil Patterson, Robert Judge (alternate), Rebecca Spain (alternate).

Board Members Absent: None

Appointing Alternate Member for Voting

The chair appointed Robert Judge to be the alternate voting member for the duration of this meeting due to the current board vacancy.

Approval of the Minutes

Chair Akil Patterson asked if board members had any changes to the August 17, 2022 minutes on Pages 3-7 in the packet posted online: <https://dfr.oregon.gov/pdab/Documents/20220921-PDAB-document-package.pdf>. Hearing none, the chair asked for a motion to approve the minutes. Dr. Bruno moved to approve, and Vice Chair Shelley Bailey provided a second. The chair asked for a voice vote.

MOTION by Richard Bruno to approve the August 17, 2022, minutes.

Board Voice Vote:

Yea: Richard Bruno, Daniel Hartung, Robert Judge, Shelley Bailey, Akil Patterson.

Nay: None.

Motion passed.

Program Update

Executive Director Ralph Magrish gave a presentation to the Cost Growth Target Benchmark's Advisory Committee on September 9. The presentation was well received, and he looks forward to collaborating with the Oregon Health Authority on shared analysis. PDAB has a legislatively-mandated reporting requirement to this program.

Ralph Magrish gave a presentation at the National Academy of State Health Policy's (NASHP) annual conference in Seattle last week. He participated in a preconference discussion on "How States are Addressing Rising Health Care Costs," spotlighting progressive programs in the Northwest. He talked about the PDAB launch and synergy with the Drug Pricing Transparency Program. Also, during the conference, he met with the NASHP pharmacy team and with representatives from the Program on Regulation, Therapeutics, and Law (PORTAL) at the Harvard Medical School. PORTAL received a contract from NASHP to provide technical assistance to PDABs, including the Oregon PDAB. PORTAL also supports the Colorado PDAB in helping develop their affordability review criteria.

Staff is contracting with Institute for Clinical and Economic Review (ICER) for access to information. ICER provides fair analysis of medical treatments and evidence reviews of effectiveness. Staff is also contracting with SSR Health Data, a proprietary net price database for affordability reviews. Colorado and Maryland also plan to use both data sources.



The rulemaking advisory committee for the Oregon PDAB model rules was held Aug. 25. The rulemaking public hearing is scheduled for Oct. 25 from 1-2 pm, with a public comment deadline of Nov. 1. The rules take effect Dec. 1, 2022.

Ralph Magrish and Chair Patterson will give a presentation during the Oregon Senate Interim Committee on Health Care hearing Sept. 22.

Ralph Magrish introduced Yasu Tanaka, board data analyst. Yasu Tanaka joins the team from Oregon Health Authority, where he worked in the public health division as an injury data analyst. He has a master's degree in advanced statistics and quantitative analysis from the University of Oregon. Ralph Magrish announced two new board members: Amy Burns, director of pharmacy in Grants Pass; and John Murray, pharmacist from Heppner. They will join the PDAB for the October meeting.

Board members have been requesting presentations on topics they want to learn more about. Today, the board was scheduled to hear about drug patent law, presented by Tahir Amin, from The Initiative for Medicines, Access, and Knowledge (I-MAK). Due to a scheduling conflict for the October board meeting, Tahir Amen will speak at the Nov. 16 board meeting. I-MAK recently released a report, "Overpatented, Overpriced – Curbing patent abuse: Tackling the root of the drug pricing crisis." <https://www.i-mak.org/wp-content/uploads/2022/09/Overpatented-Overpriced-2022-FINAL.pdf>. The report has been covered by major news outlets, including NBC news: <https://www.nbcnews.com/health/health-news/gaming-us-patent-system-keeping-drug-prices-sky-high-report-says-rcna47507>.

At the Oct. 19 board meeting, Maryland and Colorado prescription drug affordability program directors will talk about their authority to implement upper payment limits. Cassandra Soucy, senior policy advisor at the Division of Financial Regulation, will give a presentation on PBM rebates and transparency at the Oct. 19 meeting. Cassandra Soucy was the lead staffer at the Legislative Policy and Research Office. She developed the report "Transparency Strategies for the Pharmaceutical Supply Chain" for the Joint Interim Task Force on Fair Pricing of Prescription Drugs, pursuant to House Bill 4005 of 2018.

Oregon Health Authority Presentation: Dr. Trevor Douglass, OPDP & Pharmacy Purchasing Director, gave a presentation on "Medicaid Pharmacy Fundamentals & Primer on Bulk Purchasing," located on Pages 8-33 of the board packet posted online: <https://dfr.oregon.gov/pdab/Documents/20220921-PDAB-document-package.pdf>. He discussed state bulk purchasing and leveraging the purchasing power of Oregon and other states.

Questions and Answers from the Board:

Vice Chair Shelley Bailey asked about the meaning of "most favored nation" from slide 10. Trevor Douglass said the contractor is obligated to ensure ArrayRx has the best terms the contractor offers any other entity working with them. From slides 24-25, Shelley Bailey asked if the Oregon Health Authority tracks a claim at claim-level detail, the amount paid to pharmacy, and the amount reimbursed to the PBM. Under fee-for-service, the process is transparent. Under the MCO model, how is transparency achieved, she asked. Trevor Douglass said there are many players in the PBM and CCO worlds. The PBM contract readiness provision mandates that Oregon Health Authority ensures PBM contracts be set up in such a manner that pass through occurs, he said. Spread was not allowed in PBM relationships serving the managed Medicaid lives in the state. Shelley Bailey asked about an audit requesting claims details from the pharmacy versus claims details from the PBM. Trevor Douglass said the Oregon Secretary of State's office is currently conducting a PBM audit of the managed contracts.



Robert Judge said he wanted to state for the public record that he is very familiar with Array Rx because Moda Health, his employer, is the administrator for this program. He said Slide 11 looks at how Oregon could leverage itself to get the best use of taxpayer money. He asked where is the \$142 million in savings coming from. Is it coming from pharmacies? Does the state pay pharmacies less, knowing the challenges faced by pharmacies in Oregon, he asked? Trevor Douglass said yes, that savings is the difference in the guaranteed amount and the amount the pharmacy benefit manager was able to negotiate. Robert Judge asked if that would otherwise be captured as spread. Trevor Douglass said traditionally, one would not see a slide like 11. It would be a straight line. Robert Judge said this is all about aggregation, the economy of scale, making taxpayer dollars go further. He asked how governmental payers join, whether they are required to join, and if not, why not? Trevor Douglass said, in the state of Washington, governments are required to use the prescription drug programs and consortium. But in Oregon it is not mandated. Robert Judge asked if it would be advantageous for the state to mandate it. Trevor Douglass said it seems advantageous for Oregon to pursue a similar statute to Washington's.

Robert Judge said right now, Washington, Oregon, and Nevada are part of ArrayRx. What does a state have to do to join? Trevor Douglass said the Northwest Consortium started with an intergovernmental agreement. Nevada signed an adjoining agreement. Most states have options to join intergovernmental agreements and there is a lot of alignment over prescription drugs costs, he said. Robert Judge asked if there is value for Oregon taxpayers when more states join ArrayRx? Trevor Douglass said, as the program grows across state lines, it mutually benefits every entity inside the consortium. As ArrayRx leverages purchasing for another 1 million lives, the economy of scale becomes effective, along with the ability to leverage purchasing inside pharmacy networks, he said.

Rebecca Spain, said the board's task is to focus on high priced drugs, including physician administered drugs. She asked about successes or struggles in addressing them. Trevor Douglass said many of the participating programs have moved these drugs to be paid as a pharmacy benefit. On the medical claim side, retrospective comes after the fact. By putting it through the pharmacy benefit, they have eyes on what is being spent now. Many are high investment medications, costing millions of dollars for one course of treatment. All it takes is one of those inside a small group to have significant fiscal interruptions, he said. The steering committee is working with contracted vendors on options to address cost issues, such as stop-loss insurance. They also want to explore options for high investment drugs that might look like or sound like value-based, outcome-based agreements, he said. They have also looked at site of care for some of these medications. It can make a big cost difference, whether it is performed in the hospital, as an outpatient, or in a medical office, he said.

Shelley Bailey said it is important to mention most pharmacy claims are paid for through the CCO channel as opposed to a fee for service. In the secretary of state audit, are any of the PBMs that provide services on behalf of the CCOs able to do effective rate adjustments, she asked? She defined it as adjustments to pharmacies for reimbursement based on a myriad of factors, including brand to generic purchasing ratios. Many of those adjustments are posted up to one year after a drug has been dispensed, she said. Are those adjustments allowed with the PBM partners for the CCOs, she asked? Trevor Douglass said no. He said he cannot answer on behalf of the Secretary of State's office what is included or not included as part of their audit but encouraged the vice chair to ask. Shelley Bailey said the reimbursement side is also a cost driver to generic medications. She requested the board invite a speaker experienced in contracting directly with PBMs, outside of the ArrayRx model, possibly the leader of a pharmacy association. She thinks it would be a meaningful discussion. She also requested the board hear about the new Ohio model, which is transparent and different from what Oregon is doing now, she said.

Chair Patterson asked the vice chair to send the speaker requests to staff. Ralph Magrish said they would look into scheduling those presentations in 2023. He thanked Dr. Douglass for speaking today, especially when he is



under the weather. He said part of the board's mandate is to know what's going on in group purchasing in the state, especially Medicaid drug rebates, since that was a specific topic request by the board.

Presentation of First Drafts Reports: Cortnee Whitlock, board policy analyst, presented the first drafts reports on Pages 34-47, posted online: <https://dfr.oregon.gov/pdab/Documents/20220921-PDAB-document-package.pdf>. She thanked board members for their time and contributions to the reports and encouraged them to continue sending information. She hopes to get first drafts to board members soon for their review.

Chair Patterson said the board needs to approve extending the meeting time. He asked for a motion and a second. Dr. Richard Bruno made the motion and Shelley Bailey provided a second.

MOTION by Richard Bruno to extend the meeting time.

Board Voice Vote:

Yea: Richard Bruno, Daniel Hartung, Robert Judge, Shelley Bailey, Akil Patterson.

Nay: None.

Motion passed.

Public Comment

The chair asked people to submit the public comment form no later than 24 hours before the meeting or 72 hours for written comment. The form is located on the PDAB website or send an email to pdab@dcbs.oregon.gov if assistance is needed. The chair allocated three minutes of time for public comments. He called on the person who signed up in advance to speak, Thomas Busse, treasurer of the Libertarian Party of Multnomah County, who presented comments to the board.

Adjournment

There being no further business before the board, the chair asked for a motion and second to adjourn the meeting at 11:08 am. Shelley Bailey made the motion and Robert Judge provided the second. The chair asked for a roll call.

MOTION by Chair Patterson to adjourn the meeting.

Board Vote

Yea: Richard Bruno, Daniel Hartung, Mr. Robert Judge, Shelley Bailey, Akil Patterson.

Nay: None.

Motion passed.