Oregon Prescription Drug Affordability Board

Oregon Prescription Drug Affordability Board Meeting
Wednesday, August 3, 2022
Minutes
Approved by the board on August 17, 2022

Call to Order and Roll Call
Chair Akil Patterson called the meeting to order at 9:38 a.m. and called for the roll.

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

Appointing Alternate Members for Voting
Pursuant to board policies and because members are absent, the chair has the ability to select members to be alternates. In this case, the chair appointed Rebecca Spain and Robert Judge to be alternate voting members for the duration of this meeting.

Approval of the Minutes
Chair Akil Patterson asked if board members had any changes to the July 20, 2022 minutes on Pages 3-6 in the packet posted online: https://dfr.oregon.gov/pdab/Documents/20220803-PDAB-document-package.pdf. Hearing none, the chair asked for a motion to approve the minutes. Dr. Bruno moved to approve and Robert Judge provided a second. The chair called roll.

MOTION by Richard Bruno to approve the July 20, 2022 minutes.
Board Voice Vote:
Yea: Richard Bruno, Robert Judge, Rebecca Spain, Akil Patterson.
Nay: None.
Motion passed.

Program Update
Executive Director Ralph Magrish summarized proposed legislation before the U.S. Senate that will give the federal government the ability to negotiate drug prices with drug manufacturers for Medicare Part D, the prescription drug benefit program approved by Congress in 2003 for Medicare beneficiaries. By 2025, there would be a cap for maximum out-of-pocket cost at $2,000. By 2024, it will eliminate a 5 percent copay on expensive drugs for catastrophic coverage for patients with cancer, hepatitis C, multiple sclerosis, or other serious diseases. According to the Kaiser Family Foundation, it would eliminate the 5 percent co-insurance above the Part D catastrophic threshold for more than 14,000 Oregonians, establish a $2,000 out-of-pocket spending cap for Part D for more than 20,000 Oregonians, expand income eligibility for Part D subsidies for 5,300 Oregonians, and eliminate cost sharing for adult vaccines covered under Medicare Part D for nearly 70,000 Oregonians. Beginning in 2023, drug companies would be required to pay rebates if drug prices rise faster than inflation. The first negotiated prices would take effect on 10 drugs in 2026, 15 additional drugs in 2027, 15 more in 2028, and 20 more in 2029. The bill is expected to equal a net revenue for the federal government of $288 billion over 10 years. Manufacturers have suggested this will limit industry's will and ability to pursue new innovations. Congressional Budget Office models show the impact is likely to be a modest reduction of 15 drugs coming to market out of an expected 1,300 over 30 years. Negotiated prices will only apply to a narrow category of expensive drugs with no generic competition. Negotiations on new drugs will not

be permitted until 9 to 13 years after launching. Drug companies would face financial penalties if they raise prices faster than the rate of inflation. Insulin would not be covered under the negotiation provision because it has generic competition.

Mr. Magrish also mentioned the Senate Parliamentarian was requested to add back in the bill the $35 cap on copays for consumer purchases on insulin. Medicare pricing is only one piece of a much larger bill that would go through the reconciliation process if passed by the Senate. He hopes board members will watch the progressing legislation as the board pursues its mission of protecting Oregonians from the high cost of prescription drugs.

PDAB Policies and Procedures

PDAB Conflict of Interest Policy: Cortnee Whitlock, policy analyst, reviewed the policy and form on Pages 7-11 of the agenda packet posted here: https://dfr.oregon.gov/pdab/Documents/20220803-PDAB-document-package.pdf. She reviewed the policy's supporting Oregon Revised Statutes. Board members will complete and submit the form by email to the PDAB office. Executive Director Magrish said the board received public comment about this policy and the individual has signed up to speak today. Mr. Judge moved to approve the conflict of interest policy and Member Dr. Richard Bruno provided a second. The chair asked for discussion. Mr. Judge asked how best to determine a conflict of interest since he works in an insurance industry covering prescription drugs. His company sees a financial benefit and he gets involved with decisions about drugs on a daily basis. He asked if there is a financial threshold for personal benefit related to a recusal statement. Joanna Tucker Davis, board counsel, said the Oregon Government Ethics Commission has resources and board members are welcome to call them to talk about any potential conflicts. Chair Patterson encouraged board members to seek guidance from the ethics commission for each prescription drug the board may be covering. The chair asked for the roll call.

MOTION by Richard Bruno to approve the PDAB conflict of interest policy and form.
Board Roll Call Vote:
Yea: Richard Bruno (indicated by thumbs up due to audio difficulty), Rebecca Spain, Robert Judge, Akil Patterson.
Nay: None.
Motion passed.

PDAB Draft Public Comment Policy and Form: Cortnee Whitlock, policy analyst, presented the draft public comment policy and form on Pages 13-14 posted online here: https://dfr.oregon.gov/pdab/Documents/20220803-PDAB-document-package.pdf. Chair Patterson said there was a public comment letter submitted about this policy. He asked for a motion so the board could begin a dicussion. Alternate Member Robert Judge moved and Member Dr. Rebecca Spain provided a second. Chair Patterson said he believes there should be changes to the policy form with more inclusive language around affiliation, such as health care industries, supply chain, patient advocacy, interested stakeholder, or everyday citizen. The language could be strengthened so the board is not pointing out anyone directly but understanding who the individual is and what their connection is. While the policy asks for 72 hours for the board to review comments, it does not preclude anyone from signing up 24 hours before to give oral statements and at the same time, submitting written statements, which would be reviewed by the board at the following meeting, he said. The board is giving the community enough time to register and let their voice be heard while making sure the board has adequate time to review, he said. Alternate Member Robert Judge agreed with the language changes, noting the board is trying to get everyone's input. The chair asked for a motion to accept the policy with the amendments. Mr. Judge said he would like to see the draft as amended before voting. The chair said the board will table the policy and staff will bring back a draft for board to review on August 17. The chair said a roll call vote must be taken because of the motion and second. He called for the vote.

MOTION by Robert Judge to approve the PDAB Public Comment Policy and Form.
Board Roll Call Vote
Yea: None.
Nay: Richard Bruno, Rebecca Spain, Robert Judge, Akil Patterson.
Motion failed.

Presentation of Proposed Work Plan
Cortnee Whitlock, policy analyst, reviewed the proposed work plan presented to the board at the July 20 meeting, found on Pages 21-22 of the agenda packet posted here: https://dfr.oregon.gov/pdab/Documents/20220803-PDAB-document-package.pdf. She asked board members for topic ideas as she develops outlines and structures for these reports. Dr. Rebecca Spain asked if the board would review a different drug list than any drugs identified at the federal level as a result of the proposed legislation. Executive Director Magrish said the Drug Price Transparency program housed at DCBS will provide the board a list of drugs on a quarterly basis, based on staff analytics and reporting from manufacturers and carriers, and an insulin product as well. Alternate Member Robert Judge asked if the generic drug report goal is to identify prices at the point of sale in retail pharmacy in the form of a co payment, or what payers or pharmacies pay for those drugs. When looking at the supply chain of generic drugs from manufacturers on out, he asked if the goal is to also explore wholesalers or PBMs or other participant roles in the supply chain. Member Dr. Richard Bruno said as a primary care physician at a federally-qualified health center with a 340B contract pharmacy, often times generic medications he prescribes for patients are non-formulary, but still require copay. He recommends looking at non-opioid pain therapies in this report. He said this is a good section of generic medications to study because prices are still very high for patients who would benefit from them. Alternate Member Robert Judge said, to clarify his original request, the report needs to look at the role of middle men in supply chains as it relates to generic drug prices. Chair Patterson recommends the report address the following questions: Where do added costs come from, the PBM's ability to negotiate, a hospital's increased cost, inflation? What is the impact of marketing budgets on the overall supply chain and how do consumers find out about medications? What is the direct cost of research in these mechanisms? Consider looking at systems that have addressed brand manufacturer pay-for-delay tactics, where brand manufacturers reach agreements with generic companies to not manufacture generic equivalents. What are the impacts on generic prices between 340B clients and other non-covered health care entities?

Cortnee Whitlock thanked board members for their knowledgeable feedback and moved to distribution of payment systems report, a one-time report due this year, shown on Page 22 of the proposed work plan posted online here: https://dfr.oregon.gov/pdab/Documents/20220803-PDAB-document-package.pdf. Though Oregon doesn't have upper payment limits, she said the board needs to study other states that have adopted it to see what impacts it has on the system.

Member Robert Judge recommended exploring data resources from The National Academy for State Health Policy's Drug Pricing Center. He also asked staff to look at what other states are doing, including Utah's efforts to address prescription drug costs. Executive Director Magrish said staff will be watching those states implementing upper payment limits or those doing bulk purchasing. Member Dr. Richard Bruno asked about inviting PDAB staff from other states to speak to the board. Mr. Magrish said he participated in a multi-state panel and would be glad to invite them to Oregon when time permits. He also said staff looks forward to receiving technical assistance from the National Academy of State Health Policy as a grantee of theirs in the coming weeks.

Chair Patterson said he would like to see PDAB work with minority health policy folks to give the board an idea how this impacts different diversity groups, Latinx, non-recognized indigenous communities, those who are at great risk for falling into medical debt. It is important to make sure board recommendations to the legislature have an equity focus built into them. The board must ensure it is uplifting its commitment to equity, whether it is geographical equity, equity of thought, financial equity, and racial and gender equity as well. Alternate Member Robert Judge additionally recommended reaching out to states that have done reverse auctions to see their experiences, such as New Jersey, Minnesota, and he will provide staff with a resource.
Cortnee Whitlock moved to the next report under Section 5, where the board reviews nine drugs. As the board starts preparing for that work, staff will provide information from the Drug Pricing Transparency program on price trends for identified drugs. Executive Director Magrish said the Drug Pricing Transparency Program is analyzing data and anticipates having a draft report by Thanksgiving. Mr. Judge said that report will be helpful as the board makes recommendations. Member Dr. Rebecca Spain said it would be helpful to know the number of generics that exist for each of these drugs, an important factor in bringing down the list price. As generic availability for brand products varies, including biosimilar products, this information will help the board in making recommendations, she said. Chair Patterson called for a motion to approve the-2023 roadmap in the proposed work plan. Dr. Richard Bruno moved and Dr. Rebecca Spain seconded.

MOTION by Richard Bruno to approve the PDAB 2023 road map in the proposed work plan.
Board Roll Call Vote:
Yea: Richard Bruno, Rebecca Spain, Robert Judge, Akil Patterson.
Nay: None.
Motion passed.

Announcements
Chair Patterson said the next board meeting will be August 17 at 9:30am. Executive Director Magrish said they submitted the names of two rural applicants to the governor's office for the vacant board positions and anticipate those individuals being notified in the next several weeks, with Senate confirmations in September. Staff received a strong pool of applicants for the two PDAB data analytics staff positions and will be reviewing and scheduling interviews soon. The August 17 draft agenda is posted to the website and staff will send an amended version to address public comment form revisions. Staff will present outlines for report deliverables for the legislature and the cost growth target team at the Oregon Health Authority. The PDAB and OHA teams have begun to work together to identify opportunities for collaboration and shared analysis given the alignment between the two program mandates.

Public Comment
The Chair said the board will move into the public comment portion of the agenda. He would like to make sure the community is aware the board is here to listen to stakeholders and the community. The board received two advance written comments and one request to provide oral testimony. The chair called on Asher Lisec of PhRMA. Asher Lisec thanked the chair and board members for allowing her to substitute in for Dharia McGrew, who was out sick. She summarized the letter PhRMA submitted about the draft conflict of interest policy and public comment policy and form. She thanked the board for the changes they suggested in today's meeting and looks forward to reviewing the draft before the next meeting. She said adding additional stakeholders is a step in the right direction. For the conflict of interest policy and form, she asked the board to consider third party contractors along with individual board members.

Adjournment
There being no further business before the board, the chair asked for a motion to adjourn the meeting at 9:53 a.m. Dr. Richard Bruno moved to adjourn, and Mr. Robert Judge provided a second.

MOTION by Richard Bruno to adjourn the meeting.
Board Voice Vote
Yea: Akil Patterson, Richard Bruno, Dr. Rebecca Spain, Robert Judge.
Nay: None.
Motion passed.