Oregon Prescription Drug Affordability Board

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Agenda

Date: **September 21, 2022** | *Time*: **9:30 a.m.**

Meeting name	**Prescription Drug Affordability Board**
Meeting location	Virtual
Zoom link	Click here to register for the meeting

Board Members: Chair Akil Patterson; Vice Chair Shelley Bailey; Dr. Daniel Hartung; Dr. Richard Bruno; Vacancy; Robert Judge (A); Dr. Rebecca Spain (A); Vacancy

*(A) denotes Alternate Member

Staff: Ralph Magrish, executive director; Cortnee Whitlock, policy analyst; Stephen Kooyman, project manager; Yasu Tanaka, data analyst, Melissa Stiles, administrative specialist; Joanna Tucker Davis, counsel; Pramela Reddi, counsel

	Subject	Presenter	Time Allotted
☐	Call to order, roll call and approval of minutes	Chair Akil Patterson	5 minutes
☐	Executive Director's program update	Ralph Magrish	5 minutes
☐	Oregon Health Authority presentation	Dr. Trevor Douglass, OPDP & Pharmacy Purchasing Director	30 minutes
☐	OHA presentation Q/A from board	Dr. Trevor Douglass	10 minutes
☐	Discussion of first draft reports for: Rx Generic Drugs Report Rx Distribution and Payment System Report Price Trends for List of Rx Recommendations from Rx List	Cortnee Whitlock	25 minutes
☐	Announcements	Ralph Magrish	5 minutes
☐	Public comment	Chair Akil Patterson	10 minutes
☐	Adjournment	Chair Akil Patterson	2 minutes

Next Meeting

October 19, 2022, at 9:30 a.m.

Accessibility

The meeting is accessible to persons with disabilities. Closed captions are available for virtual meetings. A request for hearing impaired assistance and accommodations for persons with disabilities may be made to Melissa Stiles by email at pdab@dcbs.oregon.gov or by phone at 971-374-3724, with at least 48 hours' notice.

Public Comment

Oral Testimony

For oral comments, please submit the PDAB Public Comment Form no later than 24 hours before the PDAB meeting. The form is located on the Oregon Prescription Drug Affordability Board website here: https://dfr.oregon.gov/pdab/Pages/public-comment.aspx
For assistance, call the PDAB office at 971-374-3724 or send an email to pdab@dcbs.oregon.gov.

Written Testimony

For written comments, please submit the PDAB Public Comment Form no later than 72 hours before the PDAB meeting. The form is located on the Oregon Prescription Drug Affordability Board website here: https://dfr.oregon.gov/pdab/Pages/public-comment.aspx
For assistance, call the PDAB office at 971-374-3724 or send an email to pdab@dcbs.oregon.gov.

Open and Closed Sessions

All board meetings except executive sessions are open to the public. Pursuant to ORS 192.660, executive sessions are closed, with the exception of news media and staff. No final actions will be taken in the executive session. When action is necessary, the board will return to an open session.

Oregon Prescription Drug Affordability Board

Oregon Prescription Drug Affordability Board Meeting
Wednesday, August 17, 2022
Draft Minutes

Call to Order and Roll Call
Chair Akil Patterson called the meeting to order at 9:33 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

Approval of the Minutes
Chair Akil Patterson asked if board members had any changes to the August 3, 2022 minutes on Pages 3-6 in the packet posted online: https://dfr.oregon.gov/pdab/Documents/20220817-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 asked for a roll call vote.

MOTION by Richard Bruno to approve the August 3, 2022, minutes.
Board Roll Call Vote:
Yea: Richard Bruno, Daniel Hartung, Rebecca Spain, Shelley Bailey, Akil Patterson.
Nay: None.
Motion passed.

Program Update
Executive Director Ralph Magrish said President Biden signed into law the ability for Medicare to negotiate on prescription drug pricing for the first time since Part D's inception in 2003. Starting in 2026, Medicare will begin negotiating the price of 10 drugs, followed by an additional 15 drugs in 2027 and an additional 20 drugs in 2029 and beyond. The negotiation process is for Medicare Part D drugs that lack a generic or comparable alternative, with other drugs under Part D eventually included. The list of 10 drugs selected for negotiation is expected to be made public in 2023. Depending on what the Drug Pricing Transparency program presents to this board for next year's affordability review, he said there could potentially be overlap and lessons learned through that federal negotiating process. Medicare beneficiaries who need insulin will be capped at an out-of-pocket cost of $35, beginning in 2026. The law does not cap the cost of insulin for millions of Americans with private health insurance. He noted insulin costs will be one of the topics at the DCBS Drug Pricing Transparency program public hearing in November or December. Staff invited Civica Rx, the non-profit insulin maker, to speak on a hearing panel. For the catastrophic portion of the new federal law, starting in 2024, people with out-of-pocket drug costs reaching a catastrophic threshold of $7,050 will not have to pay additional money. There will be a $2,000 cap. Currently, no cap exists.

The executive director said he and Chair Patterson had been invited to present at Oregon Legislative Committee Days on September 22 to give updates on the PDAB work plan and deliverables. They will share that board members asked to hear from PDAB chairs and executive directors in Colorado and Maryland states that enabling legislation to do upper payment limits. These representatives will speak at the October meeting of this board. Staff received a presentation from SSR Health, a company with a proprietary database uniquely suited to help the board identify specific information for affordability reviews. Staff is looking into using this data source that provides information on price concessions, discounts, or rebates that manufacturers provide to PBMs. This

Friday, the staff meets with the director of purchasing of prescription drugs at Oregon Health Authority and the contract administrator from the Public Employees' Benefit Board (PEBB) to discuss bulk purchasing processes at the State of Oregon and reverse auctions for PBMs. These are other pieces required for the board's legislative deliverable and analysis of the supply chain. Ralph Magrish has been invited to speak at the National Academy of State Health Policy (NASHP) pre-conference on September 12. He will join a panel presentation entitled, "How States are Addressing Rising Health Care Costs." The panel will also include representatives from the Health Care Cost Growth Target program at Oregon Health Authority and the Washington Health Care Authority prescription drug purchasing programs. Additionally, staff completed the first round of interviews this week for the two data positions. They hope to introduce new staff at the September board meeting. For the two board vacancies, staff anticipates a public announcement with the names from the governor's office, with confirmation hearings in September.

Appointing Alternate Member for Voting
The chair appointed Rebecca Spain to be the alternate voting member for the duration of this meeting due to the current board vacancy and pursuant to board policy.

PDAB Draft Public Comment Policy and Form: Cortnee Whitlock, the policy analyst, presented the revised draft public comment form on Page 9, posted online: https://dfr.oregon.gov/pdab/Documents/20220817-PDAB-document-package.pdf. She reviewed the track changes requested by the board during the August 3 meeting. If approved, staff will accept the changes and post the form on the website. Chair Patterson said the revisions provided equity and asked for a motion and second from the board. Robert Judge asked for clarification about the purpose of the asterisks in the required fields on the form. Cortnee Whitlock said the form is requested but not required. She said staff would clarify that language on the form. Chair Patterson said that would be a technical change so the board could still approve the substantial language changes shown on the document in the board packet. Rebecca Spain asked if the form would be optional for everyone and asked about the asterisks indicating required information. Chair Patterson said the form is voluntary. Ralph Magrish said if a person or organization chooses not to fill out the form, it will be noted when they begin their testimony before the board. Robert Judge asked about the question, "Do you receive funding…" and wondered if it only refers to a speaker and not the organization they represent. Ralph Magrish agreed about that important distinction. Richard Bruno said it could be resolved with a motion to approve the form with the amendment, "Do you or your organization receive funding…" Robert Judge said that would address his concern. Richard Bruno moved to approve the form with the amendment of the form, and Shelley Bailey provided a second. The chair clarified that the board can approve the form today because the amendments are technical fixes and would not substantially change the form presented to the board. He called for the vote.

MOTION by Robert Judge to approve the amended form with the added language "do you or your organization..."
Board Roll Call Vote
Yea: Richard Bruno, Daniel Hartung, Rebecca Spain, Shelley Bailey, Akil Patterson.
Nay: None
Motion Passed.

Chair Akil Patterson asked for a motion to approve the entire document, PDAB Public Comment Policy and Form. Richard Bruno moved to accept the changes as presented. Shelley Bailey provided a second.

MOTION by Robert Judge to approve the PDAB Public Comment Policy and Form.
Board Roll Call Vote
Yea: Richard Bruno, Daniel Hartung, Rebecca Spain, Shelley Bailey, Akil Patterson.

Nay: None
Motion Passed.

Presentation of Proposed Work Plan
Cortnee Whitlock, policy analyst, reviewed the outlines for the three reports described in the work plan presented at the July 20 board meeting found on Pages 10-22 posted online: https://dfr.oregon.gov/pdab/Documents/20220817-PDAB-document-package.pdf.

Generic Drugs Report
Cortnee Whitlock asked board members for additional information to include in each report, beginning with generic drugs.

* Daniel Hartung requested the report also look at biosimilars. He said there are important and complicated distinctions between biosimilars and generic drugs.

* Robert Judge said there are two sides to pharmaceutical pricing, acquisition cost, and sales price. He recommended looking at pricing as reported through the supply chain, from the manufacturer to the wholesaler, to the pharmacy, which is really the acquisition side. He also recommended looking at it from a consumer perspective, which is pricing from the pharmacy, through the PBM, through the payer, to the consumer, or the other way around - payer, PBM, pharmacy, consumer. To really understand what's happening in the generic market, the report should look at the cost to procure and the cost to sell because that is where the consumer issues lie. Regarding the marketing budget, he recommended the report look at what are the influencers of cost. Factors that influence the cost for generic drugs at the point of sale include the number of manufacturers manufacturing a generic drug, the ingredients availability or shortages for the drug, wholesaler markup as the drug goes through the supply chain, and PBM max, he said.

* Shelley Bailey said the report also needs to look at the reimbursement side, specifically issues like maximum allowable price. There are public data sources with pricing information, including the Oregon Health Plan Fee-For-Service program. She said there are two sides to drug pricing, the procurement side and the reimbursement side, and one can't be reviewed without the other. She said the reimbursement side impacts payers significantly in this state. She asked if Trevor Douglass from Oregon Health Authority could present to this board.

* Richard Bruno said it would be helpful for the board to have the background on patent law as it relates to the extension of patents and the year and timeline of patents as it plays into the generic rollout.

* Shelley Bailey said it would be helpful to look at whether drugs are single source brand generics or multi-source brand drugs, along with dispense timelines for both. She recommended the report look for underutilized generics within a therapeutic class and brand spend when generic medications are available.

* Robert Judge said it might be educational for the board and certainly important for this report to understand what a formulary is and what a preferred drug list is. He said, there may be instances where generics are available but are not the lowest net cost option available when factoring in rebates. In today's marketplace, typically rebates are not delivered at the point of sale because they get paid up to two years after the transaction has been completed. But they do factor in premiums, which affect consumers as well. There may be behavior considerations of preferred drug lists that influence generic use.

* Rebecca Spain said this might fall under players involved in the generic drug marketplace, but she wants to make sure the report examines pharmacy benefits managers (PBMs) specifically. Ralph Magrish thanked board

members for the feedback and said he would follow up on the request for presentations at future board meetings. He said, regarding brand drugs being on a state preferred drug list, there are strict guardrails around the ability to disclose or speak at an aggregated level because of federal regulations or contracts signed between the State of Oregon and individual manufacturers. But to the extent that information can be provided, staff will coordinate that kind of presentation.

Distribution and Payment System Report

Cortnee Whitlock moved to the outlines shown on Pages 15-17 and asked for board feedback.

* Shelley Bailey said she agreed with Dr. Spain about the report looking at pharmacy benefit managers. The report could also look at the relationship of the PBMs currently working with state-managed care organizations and the Public Employees Benefits Board (PEBB) public employees fund. The report could look at the impact of PBMs on those user groups, what the structures of rebates are, and the impact of capitation rates from the Oregon Health Authority to those nonprofit Coordinated Care Organizations. She said it has a meaningful impact on the state of Oregon when looking at cost savings.

* Robert Judge said, to add to Shelley Bailey's point, the report needs some level setting, describing or defining what an upper payment model looks like, whether it controls what the manufacturer charges for a drug or what a payer pays for that drug, with rebates. He is unsure of the mechanism for how the upper payment limit makes its way to the consumer. Having a baseline described in the report would be fundamental. Ralph said the board would hear upper payment limit presentations in October from Colorado and Maryland, providing a baseline context of the model. The Oregon PDAB does not have the legislative authority to do upper payment limits, which will be part of the study and recommendations to the legislature.

* Dan Hartung said this would be a general report about the distribution payment system across multiple payers in the state of Oregon. He recommends the report include a description or summary of how the rebate discount system in various sectors influences list price inflation and how that, in turn, negatively affects patient out-of-pocket costs, and how those factors differ by a different kind of payer system. Dr. Hartung said that Medicaid and Medicare are different from the private sector, and out-of-pocket costs will dramatically vary for consumers in those sectors. He thinks it would be informative if the report included a broad discussion about the generalities of how those operate.

* Robert Judge agreed it would be informative to the public if there were a way to describe it concisely. He asked about an opportunity for the board to understand what a reverse auction is and how it works. Ralph Magrish said staff reached out to the National Academy of State Health Policy (NASHP) and will speak directly to representatives in states that have done reverse auctions, New Jersey, Maryland, and Minnesota. He said it is a technical process that needs a lot of review before making that recommendation. He said there is a lot of investment on the front end for a technology platform to support a bid process or review.

Price Trends Report

Cortnee Whitlock moved to Pages 18-21 in the board packet, the third report, which won't be completed until June 1, 2023, because the board is not currently reviewing medications or insulin. Staff will provide price trends of prescription drugs to the board. She said the outline would provide background, top drugs by cost and utilization, and generic drugs by brand names and class, with recommendations on any legislation changes. She asked for board member feedback.

* Daniel Hartung said, regarding generic drugs associated by brand name by class, he thinks it is important for the report to summarize what brand names have generics available and what therapeutic classes have generic

alternatives. While noting which drugs have generics, he thinks it is important to frame it in terms of therapeutic class where generics are not abundant. He said that generics in classes is a bulwark against brand-name price inflation. It would be useful if the report identified classes where generic alternatives are scarce.

Ralph Magrish said he is delighted with the quality and depth of comments, feedback, and questions the board provides. He said this is a diverse board of clinicians, academics, and pharmacy supply chain folks. He asked board members to forward to staff any peer review literature, academic, or industry-funded reports, as long as it is transparent if it is being funded or underwritten by any group. He said it would be valuable information for staff research and draft report preparation. Cortnee Whitlock thanked the board for their participation and encouraged them to send any other ideas to the email address pdab@dcbs.oregon.gov. Chair Patterson said the board is here to provide recommendations to the state and evaluate the cost of prescription drugs to determine if they present an affordability challenge to consumers and the health system in Oregon. He said the board should be able to do more, and hopefully, the legislature will look for mechanisms to give the board authority to do more for consumers in Oregon.

Announcements
Chair Patterson said the next board meeting would be September 21 at 9:30 am. Executive Director Magrish thanked board members for squeezing four meetings in six weeks. This was necessary and positioned the board well to complete objectives for the rest of the year. Upper payment limit presentations will be at the October meeting. Ralph Magrish will follow up on today's board requests for other presentations in September. He thanked the board for the robust conversation today.

Public Comment
The Chair said the board would move into the public comment. The board did not receive any requests for oral testimony. The board received one written comment from the chair of the PBM Accountability project, and all board members received a copy.

Adjournment
There being no further business before the board, the chair moved to adjourn the meeting at 10:31 am and asked for a voice vote.

MOTION by Chair Patterson to adjourn the meeting.
Board Voice Vote
Yea: Richard Bruno, Daniel Hartung, Rebecca Spain, Shelley Bailey, Akil Patterson.
Nay: None.
Motion passed.

Medicaid Pharmacy Fundamentals
&
Primer on Bulk Purchasing

September 2022

Trevor Douglass, DC, MPH

Oregon Health Authority

Today's Bulk Purchasing Objectives:

- What does bulk purchasing mean?
- Paying for a drug vs taking possession of a drug.
- GPOs, statewide purchasing agreements & consortia
- MMCAP Infuse
- ArrayRx

Today's Medicaid Fundamentals Objectives:

- Medicaid funding & requirements.
- Excluded drugs, formulary vs PDL
- Medicaid Drug Rebate Program
- How pharmacies are reimbursed under FFS Medicaid
  - OR AAC, NADAC & WAC
- How pharmacies are reimbursed under CCOs

What is Bulk Purchasing?

State Bulk Purchasing – Leveraging purchasing power of our state and others.

The more fragmented a state's pharmacy purchasing is, the fewer opportunities a state has to truly leverage its purchasing power.

Economies of scale that can generate purchasing power and reduce administrative costs can be leveraged in a bulk purchasing strategy.

Consortia and group purchasing organizations (GPOs) are tools that states can and already utilize as permitted under law.

How states leverage Rx purchasing power

States and other public sector entities represent two types of bulk purchasing:

- Payors
    - ArrayRx
- Purchasers
    - MMCAP Infuse

Created for states, by states

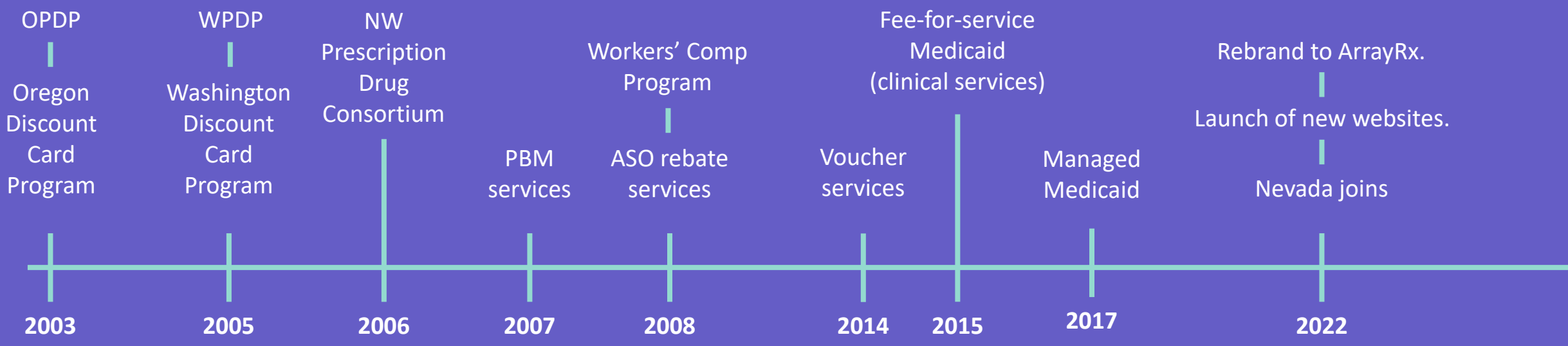
OPDP Oregon Prescription Drug Program

Washington Prescription Drug Program

Northwest Prescription Drug Consortium

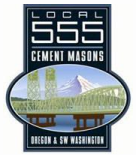
Integrating Solutions for Best Value

→ ArrayRx



ArrayRx

Program participants

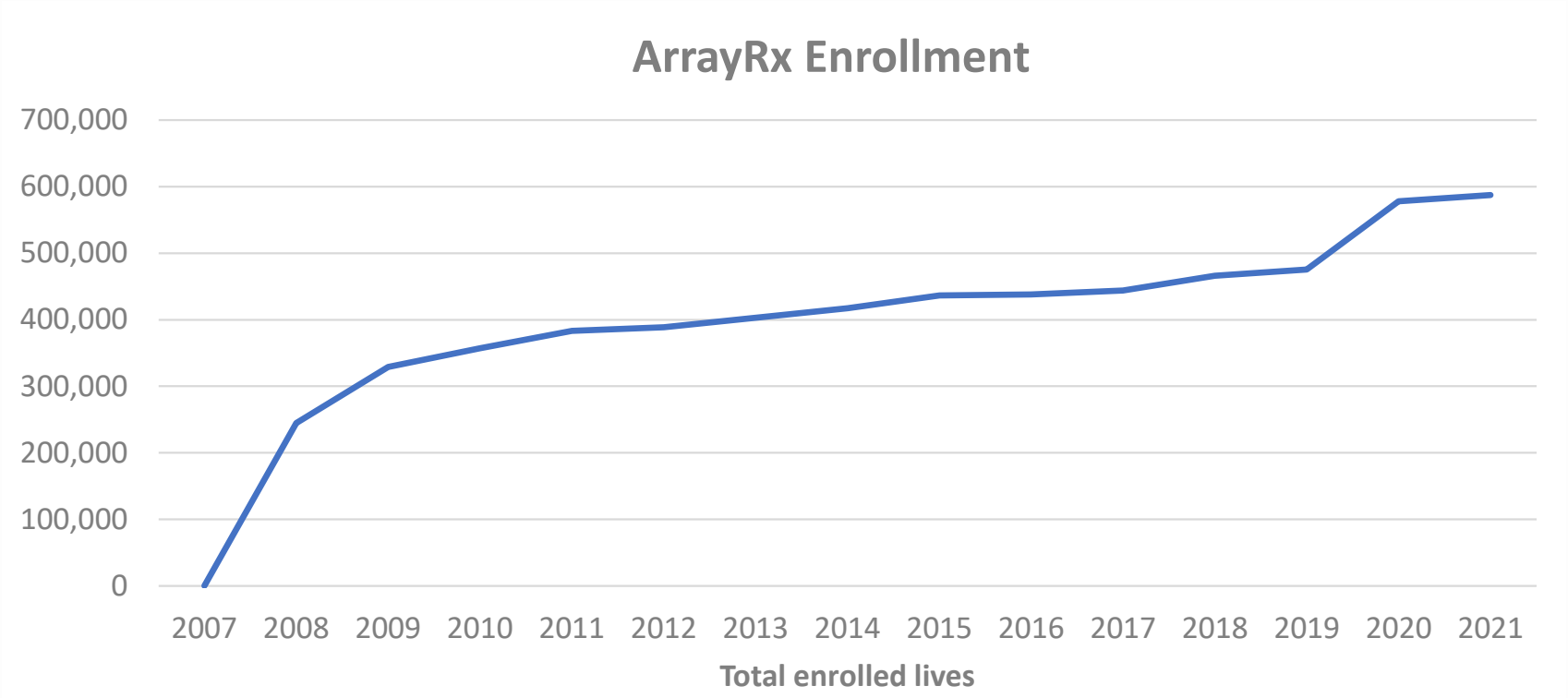


Operating principles

- Programs designed for public sector purchasers
- Fully transparent operations
- Pure pass-through pricing from pharmacies
- 100% pass-through of all manufacturer rebates and fee payments
- Fixed administration fee (per Rx per paid claim or PMPM)
- Third party annual market checks
- Comprehensive audit rights
- Custom formularies and clinical services
- Medical Rx alignment

Over a decade of sustained growth

More than **one-half million members** served by public employee, commercial employer, Managed Medicaid, and facility programs



The next generation of transparency

Predictability

- Most favored nation
- Fixed administration fee
- Aggressive network guarantees

Transparency

- Pass-through pricing
- 100% rebate pass-through
- Comprehensive reporting

Auditability

- State oversight and governance
- Annual market checks
- Financial audits

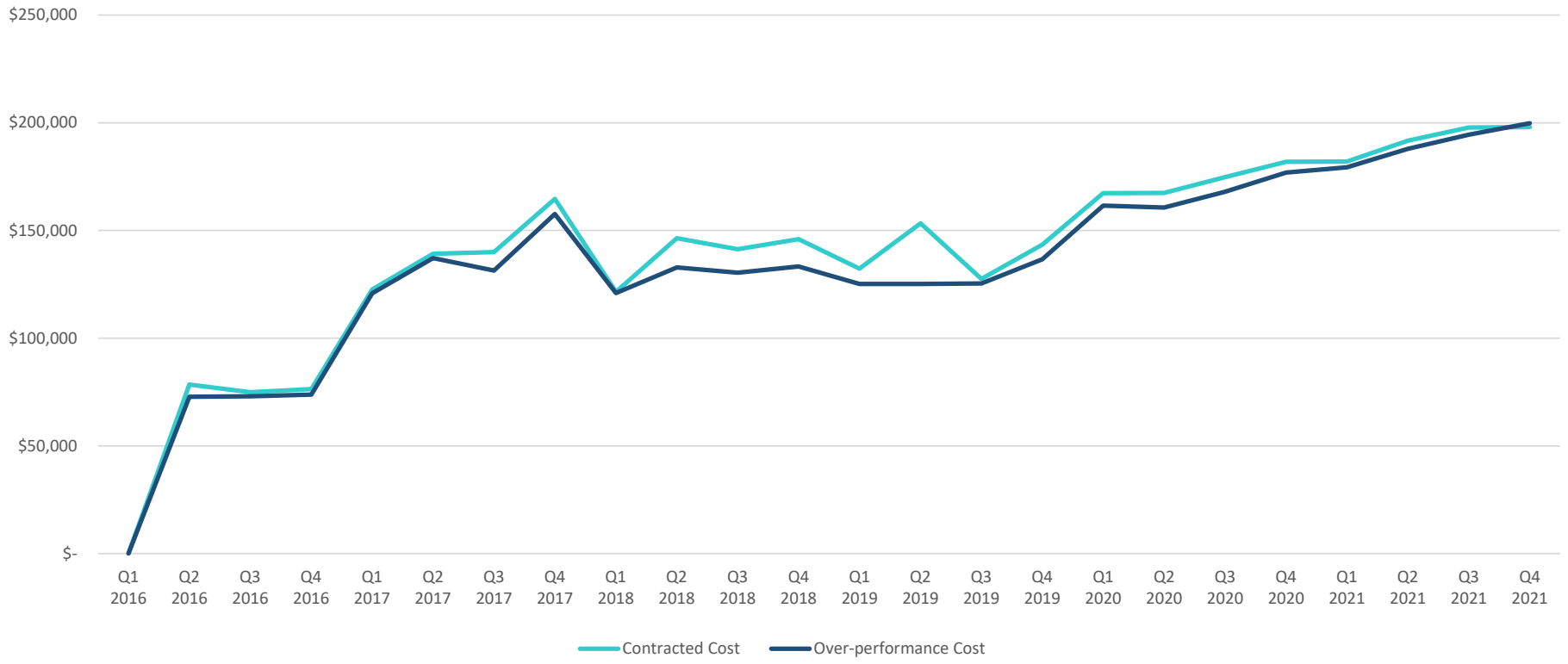
= Working for States

Saves money | **Increases understanding** | **Builds confidence** | **Maximizes potential** | **Validates savings** | **Peace of mind**

ArrayRx

Value of pass-through over-performance

Over $142 million in additional savings on pharmacy benefits through network over-performance since 2016



ArrayRx

State of Minnesota's Contribution to Bulk Purchasing

MMCAP Infuse – Minnesota Multistate Contracting Alliance on Pharmacy

National cooperative group purchasing organization (GPO) for government facilities that provide healthcare services

MMCAP Infuse was established in 1985, is operated by the State of Minnesota, Office of State Procurement, and is self-funded.

Over 13,000 members across all 50 states.

Use of MMCAP Infuse is free for members and purchasing from our contracts is voluntary.

How Oregon uses MMCAP Infuse to leverage purchasing

Variety of members:

- DOC
- OR Immunization Program
- ADAP
- OR State Hospital
- Multnomah County

Medicaid Fundamentals

Medicaid Basics

- Federal/State partnership; minimum federal share based on state poverty. For 2022:

56.2%	AK, CA, CO, CT, MD, MA, NH, NJ, NY, VA, WA, WY
56.2001% – 60%	HI, IL, MN, ND, PA
60.0001% – 65%	DE, NE, RI, SD, VT
65.0001% – 70%	FL, IA, KS, NV, OR, TX, WI
70.0001% – 75%	IN, GA, LA, ME, MI, MO, MT, NC, OH, OK, TN, UT
75.0001% – 80%	AL, AR, AZ, DC, ID, KY, NM, SC
> 80%	MS, WV

- Pharmacy is an “optional benefit”, though all states and DC participate
- Benefits set by state and federal law, CMS-approved “state plan”, and CMS-approved waivers

Medicaid Pharmacy and §1927 of the SSA

To get federal match for pharmacy benefits, states must comply with federal law, including:

- ProDUR, RetroDUR and educational programs/interventions
- Provide a **pathway to coverage** **of** **medically accepted indications** **for** **rebateable drugs**

Prior Authorization allowed

Exceptions: short list of drugs classes that states may choose to cover or must not cover with federal match.

State Plan and “Excluded Drugs”

CURRENT excluded drugs **Oregon opted to cover**:

- Agents when used for anorexia, weight loss or weight gain
  appetite stimulants for **anorexia, cachexia** and **wasting**
- Agents when used for the symptomatic relief of cough and colds
  cough preparations/expectorants, and cough & cold preps
- Prescription vitamins and mineral products
  [selected for coverage]
- Nonprescription drugs
  When determined to be cost-effective and clinically appropriate by P&T

State Plan and “Excluded Drugs”

Excluded drugs a state **may NOT opt to cover** (partial list):

- Drugs when used for a cosmetic purpose or hair growth (unless the state determines medically necessary)
- Drugs when used for treatment of sexual or erectile dysfunction, and drugs solely FDA-approved for such uses
- Death with Dignity (Oregon covers from state-only funds)

Medicaid Formulary vs. PDL

Formulary	PDL
A state may exclude a drug if, **based on its FDA labeling**, it "does not have a significant, clinically meaningful therapeutic advantage in terms of safety, effectiveness, or clinical outcome…over other drugs included in the formulary."	States may require prior authorization of any covered outpatient drug.
State must allow coverage of drugs excluded from the formulary through a prior authorization program that meets the requirements in §1927.	Any prior authorization program must meet the requirements in §1927.

About those rebates…

	Federally Mandated	Supplemental
Labeler contract:	With CMS; applies to all Medicaid programs	With Oregon; available to all SSDC states
Requires:	Pathway to Coverage	PDL "preferred" (*may also have other requirements)
Count:	40k NDCs	approx. 298 NDCs
Includes:	POS, PAD, & outpatient for FFS and CCO	POS, PAD, outpatient for FFS; CCO if labeler agrees
Amount:	% AMP (higher for brands) or "Best Price" for brands + add'l to offset price hikes	Typically GNP. Less often is % of WAC.
Both:	✓ Share with federal government ✓ Can result in "making money"	

FFS Medicaid Pharmacy Reimbursement

States must pay acquisition cost + professional dispensing fee

Acquisition Cost:

- Oregon uses survey-based estimate of acquisition cost

Professional Dispensing Fees:

- Oregon conducts periodic studies and uses a tiered dispensing fee primarily based on volume ($9.80 - $14.30)

Oregon FFS Medicaid Reimbursement – Big Picture

Oregon pays the Billed Amount **up to our** Allowed Amount
(we never pay more than the amount billed)

Billed Amount:

- Non-340B: must bill "Usual and Customary" amount
- 340B: must bill their acquisition cost + $14.30 dispense fee

Allowed Amount:

Ingredient Cost (AAC) + Assigned Disp. Fee ($9.80 - $14.30)

Ingredient Cost

The allowable ingredient cost is based on:

1. Oregon AAC (brand/generic)
2. If no AAC, then NADAC (brand/generic)
3. If no NADAC, then WAC (Wholesale Acquisition Cost)

Oregon's AAC

1. Set by Myers & Stauffer based on pharmacy invoices
2. Separate AAC for brand and generic for each GSN
3. GSN grouping encourages prudent purchasing

CCO Medicaid Pharmacy Reimbursement

States may allow MCOs to contract with PBMs to pay for and assist with administering the prescription drug benefit.

In Oregon, that means each CCO has its own PBM to:

- Secure ingredient and dispensing cost guarantees
- Establish a network of pharmacies
- Obtain any available rebates (not many).
- Establish a formulary or PDL unique to each CCO

Re-imbursement guarantees are typically recorded as an:

AWP-x% discount plus a nominal dispensing fee.

Oregon CCO Medicaid Reimbursement

CCO pays the PBM the amount paid to the pharmacy and often an administration fee, or CCO shares back amount based on guaranteed performance.

(OHA ensures that spread pricing is not allowed inside CCOs PBM contracts)

Billed Amount:

- Non-340B and 340B: bill “Usual and Customary” amount

Allowed Amount:

Ingredient Cost (AWP-%) + Disp. Fee ($0.00-$1.00)

Questions?

Trevor Douglass, DC, MPH
Pharmacy Policy, Programs & Purchasing Director
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971-209-8491

Oregon Prescription Drug
Affordability Board

Prescription Drug Affordability Board

Update
for
First Drafts Reports

Board Meetings and Topics

TOPICS	July 20 PDAB Meeting ✓	Aug. 3 PDAB Meeting ✓	Aug. 17 PDAB Meeting ✓	Sept. 21 PDAB Meeting	Oct. 19 PDAB Meeting	Nov. 16 PDAB Meeting	Dec. 14 PDAB Meeting	Report Due Date
Work Plan	**Presentation to Board**	**Formal Approval**						
Review Rx Report from DPT				**Presentation for Board Review**				
Rx Generic Drugs Report[1]								**12/31/22**
Rx Distribution and Payment System Report			**Presentation of Outline to Board**	**Presentation of First Draft to Board**	**Presentation of Second Draft to Board**	**Board Approval of Final Draft**		**12/31/22**
Price Trends for List of Rx								**12/31/22**
Recommendations from Rx List								**12/31/22**
Report of Affordability Reviews Conducted by the Board[2]								**06/01/23**

[1] *Originally due June 1, now December 31, 2022*

[2] *Originally due December 31, 2022, now due June 1, 2023*

Rx Generic Drugs Report (SB 844, Section 6 (2)

Annually by June 1, the Board conducts a study of the operation of the US market for generic drugs, both drugs dispensed by pharmacists and drugs administered by physicians, including:

1. The prices of generic drugs on a year-to-year basis
2. The degree to which generic drug prices affect insurance premiums
3. Annual changes in health insurance cost-sharing for generic drugs
4. The potential for and history of generic drug shortages
5. The degree to which generic drug prices affect annual spending in the state medical assistance program
6. Any other topic the board considers relevant to the cost of generic drugs

For 2022 reporting, Section 6 (2) will be submitted to the Legislative Assembly by 12/31/2022.

First Draft

Reports	Report Section	Status	Topics
Rx Generic Drug Report	**Background of Generic Drug**	Assigned	
	Generic Drug Pricing, Cost, and Utilization	Assigned	
	Study of Generic	Assigned	* The prices of generic drugs on a year-to-year basis * The degree to which generic drug prices affect insurance premiums * Annual changes in health insurance cost sharing for generic drugs * The potential for and history of generic drug shortages * The degree to which generic drug prices affect annual spending in the state medical assistance program * Any other topic the Board considers relevant to the cost of generic drug
	Impacts on Generic Drug Market	Assigned	* Biosimilars: Describe what they are; How they are similar/different to generics * Players involved in the generic drug marketplace and their roles

Outline Sections for Generic Drug Report

Background of Generic Drugs

- What are generic drugs?
- What is their purpose?

Generic Drug Pricing, Cost and Utilization

- How are generic drug prices set?
- Research cost associated with generic drugs
- Cost savings with generic drugs
- Utilization of generic drugs

5

Outline Sections for Generic Drug Report (Cont.)

Study of Generics

- The prices of generic drugs on a year-to-year basis
- The degree to which generic drug prices affect insurance premiums
- Annual changes in health insurance cost-sharing for generic drugs
- The potential for and history of generic drug shortages
- The degree to which generic drug prices affect annual spending in the state medical assistance program
- Any other topic the Board considers relevant to the cost of generic drug

Impacts on Generic Drug Market

- Players involved in the generic drug marketplace and their roles
- Anticompetitive practices impacting generic drug availability
- Marketing impacts on the supply chain and cost

Recommendations

Rx Distribution and Payment System Report (SB 844, Section 7)

(1) Study of the entire prescription drug distribution and payment system in Oregon and policies adopted by other states and countries that are designed to lower the list price of prescription drugs including but not limited to the following options:

(a) Establishing upper payment limits for all financial transactions in this state involving a drug and specifying the methodology used to determine the upper payment limit that does not undermine the viability of any part of the prescription drug supply chain;

(b) Using a reverse auction marketplace for the purchase of prescription drugs by state and local governments;

(c) Implementing a bulk purchasing process for state and local governments to purchase prescription drugs.

(2) No later than December 31, 2022, PDAB shall report to the interim committees of the Legislative Assembly:

(a) The board's findings including findings for each option described in subsection (1) of this section; and

(b) Recommendations for policies to lower the list prices of prescription drugs sold in this state and for legislative changes necessary to implement the policies.

First Draft

Reports	Report Section	Status	Topics
Rx Distribution and Payment System Report	**Prescription Drug distribution and payment system in Oregon**	Assigned	Impact of the distribution and payment system on health care providers
	Policies in other states and countries designed to lower the list price of Rx	Assigned	
	Reverse auction marketplace for the purchase of Rx by state and local government	Assigned	
	Bulk purchasing process for Oregon and local governments to purchase Rx	Assigned	(c) Impact of the distribution and payment system on health care providers
	Impact on underserved and disadvantaged populations	Assigned	Drug pricing impact on communities of color and underserved communities

Outline Sections Rx Distribution and Payment System Report

Prescription Drug (Rx) Distribution and Payment System in Oregon

- Market Based vs. Regulatory Strategies

Polices in Other States and Countries Designed to Lower the List Price of Rx

- Upper Payment Limits
- The methodology used to determine the upper payment limit that does not undermine the viability of any part of the prescription drug supply chain

Reverse Auction Marketplace for the Purchase of Rx by State and Local Governments

Bulk Purchasing Process for Oregon and Local Governments to Purchase Rx.

Impact on Underserved and Disadvantaged Populations

Recommendations

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SB 844, Section 5 (1) & (3)

By December 31 of each year, the PDAB shall report to the Health Care Cost Growth Target program and to the interim committees of the Legislative Assembly.

For 2022, Section 5 (1) and (3) will be reported by 12/31/2022. Section 5 (2), for the prescription drugs that were reviewed under Section 2 of SB 844, will be reported by 06/01/2023.

(1) Price trends for the list of prescription drugs provided to the board by the Department of Consumer and Business Services

(3) Recommendations, if any, for legislative changes necessary to make prescription drug products more affordable in this state.

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First Draft

Reports	Report Section	Status	Topics
SB844, Section 5 (1) and (3)	**Background of SB 844**	Assigned	History and program overview
	Top drugs by cost and utilization		
	Generic drugs that are associated with brand names by class		

Outline Section

Background of SB 844

- Program overview

Top drugs by cost and utilization

Generic drugs that are associated with brand names by class

Recommendations

Section 5 vs Section 7 Recommendations

Section 5 (3)

PDAB to provide recommendations, if any, for legislative changes necessary to make prescription drug products more affordable in this state.

Section 7 (2)

Recommendations for policies to lower the list prices of prescription drugs sold in this state and for legislative changes necessary to implement the policies.

Next Steps

PDAB board members should send any write-ups to pdab@dcbs.oregon.gov or cortnee.whitlock@dcbs.oregon.gov

Next Board meeting on Oct. 19th will be an update for the second draft of the reports.