



Oregon Prescription Drug
Affordability Board



Prescription Drug Affordability Board

Affordability review

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Agenda



Review of
past
affordability
review
decisions

Updated
affordability
review
process

Goals and
purpose



Decisions from first affordability review

Decisions made:

- Focus on carrier data
- No review of the Mfr Rx lists due to challenges of the review
- Price increase list would have had a lot of work to get through
- New specialty Rx would be projected information based off assumptions of the impact the drug has on the system and out-of-pocket costs



Identified preliminary list in August:

- Reviewed list types (MC/GI/ME/MP)
- Most Costly identified as key data point
- Removed Most Prescribed Rx list type from review
- Focus on Top Drugs to Review list
- Look at Rx that are on more than one type lists



Identified subset list in September:

- Add all the DPT reported Most Costly drugs into the Top Drug list
- Compare CCO top reported Rx against Top Drug list
- Filter based on Total Costs, and
- Pick no more than 30 drugs, including insulin products, for the board to review



Affordability review process

Phase 1: Identify eligible prescription drugs for affordability review

- Carrier top 25 reported Rx provided under ORS 743.025
- Manufacturer reported information for annual increase and quarterly new specialty prescription drugs provided under ORS 646A.689 (2) & (6)
- Insulin (APAC)

Phase 2: Select prescription drugs for affordability review

- OAR 925-200-0010
- Select subset list of drugs to have health carriers provide additional information on

Phase 3: Data call and supplemental info

- Data call of subset lists (Rx and insulin)
- APAC - compare claims against subset list
- Compile data and prepare subset list information for affordability review

Phase 4: Conducting the affordability review

- ORS 925-200-0020
- Affordability review material packets

Phase 5: Select prescription drugs and insulin products that may create affordability challenges to healthcare system or out-of-pocket costs

- Senate Bill 844



Phase 1: Identify eligible prescription drugs for affordability review

- Insurer reported provided under ORS 743.025:
 - Top 25 most frequently prescribed drugs;
 - The 25 most costly drugs as a portion of total annual spending;
 - The 25 drugs that have caused the greatest increase in total plan spending from one year to the next
- Manufacturer reported drugs provided under ORS 646A.689 (2) & (6):
 - Annual increase report:
 - Rx with \$100 or more for a one-month supply or for a course of treatment lasting less than one month and
 - A net increase of 10 percent or more in the price of the prescription drug from the previous calendar year
 - Monthly reporting for new specialty Rx
- Insulin products
 - APAC



DPT carrier lists

- Drug Price Transparency (DPT) program collects health insurances carrier's top 25 greatest price increase, most costly, and most prescribed drugs (Rx) under ORS743.025.
- The DPT aggregates the information and provides it to PDAB's data analyst to setup for the board to review.

Any carrier Rx on mfr. new drug report or price increase report

- DPT collects information from manufacturers under ORS 646A.689. Data submitted under sections (6) is give to PDAB data analyst quarterly and provided to the board to review.
- Section (2) under ORS 646A.689 is provided annual from DPT and shown to the board for review.

Historical & current mfr. Rx price increases, based on wholesale acquisition cost (WAC)

- Rx on list for affordability review will be looked up in Medi-Span to determine the historical and current WAC price.
- For drugs with multiple national drug codes (NDC), a measure of central tendency will be used for a price comparison.

FDA

- PDAB staff will look up expedited approvals of fast track, priority review, accelerated approval, and breakthrough therapy designation.
- PDAB staff will use Medi-Span to look up brand-name drugs and biological products, and whether there are any approved and marketed generic drugs or biosimilar drugs.

Are therapeutic alternatives available?

- PDAB staff will review Rx under review and research if there are therapeutic alternatives and if cost and availability can be determined.

Does the Rx have a patent expiration or exclusivity expiration within 18 months

- PDAB staff will review Rx under review and research if there are patent or data exclusivity expirations within 18 months of affordability review.

Phase 2: Select prescription drugs for affordability review



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Affordability Board



Phase 2: Select prescription drugs for affordability review (continued)

OAR 925-200-0010

For insulin drugs marketed in the U.S. and available in Oregon, criteria for selection may include, but not limited to, those products with the highest insurer reported:

- (a) Overall spend;
- (b) Per-patient spend; and
- (c) Patient out-of-pocket cost



Phase 3: Data call and supplemental information

- Data call of subset lists (Rx and insulin)
- APAC - compare claims against subset list
- Compile data and prepare subset list information for affordability review

Phase 4: Conducting the affordability review

- OAR 925-200-0020
- Affordability review material packet

Phase 5: Select 9 prescription drugs and at least one insulin product that may create affordability challenges to the healthcare system or out-of-pocket costs

- Senate Bill 844 reporting requirements
 - Section 2
 - Section 5



Goal of PDAB

To make prescription drugs affordable in Oregon for patients and the healthcare system

- How: apply criteria set up under Senate Bill 844, OAR 925-200-0010 and 0020.
- What determines if an Rx *may* create an affordability challenge or high out of pocket costs for patients?
 - Rx that led to health inequities
 - Number of residents prescribed Rx
 - Price of Rx
 - Price concessions, discount or rebates the manufacturer provides health plans and PBMs
 - Price of therapeutic alternative
 - Patient access considering benefit designs
 - Financial impacts to health, medical or social services costs compared to therapeutic alternative
 - Average patient copayment or other cost-sharing



Purpose of reviews

To improve the accessibility and affordability of prescription medications (Rx) to patients and the health system

How:

- **Cost analysis:** compare Rx to therapeutic benefits. Helps determine if the price of the Rx is justified based on clinical value and the outcome.
- **Identifying high-cost drugs:** Is the Rx disproportionately expensive compared to other treatments?
- **Informed decision making:** access to Rx pricing in the supply chain helps board members determine the cost and access to Rx.
- **Transparent pricing:** Can foster competition and incentivize manufacturers to have fair pricing strategies.
- **Value-based pricing:** aligns the cost of medications with the health outcomes they provide.
- Ensure access and affordability to patients.



What creates an affordability challenge to the health system?

- Cost of the drug
- Therapeutic alternative
- The number of patients requiring the Rx
- The frequency of the drug
- Insurance coverage
- Reimbursement of Rx
- Clinical value
- Health outcomes
- Market dynamics
- Regulatory factors
- Patient populations
- Health equities



Affordability

The ability to pay for medications without experiencing financial challenges

- Cost of medication
- Insurance coverage
- Level of financial stability or income
- Discounts or programs
- Market competition

