



Oregon Prescription Drug
Affordability Board



Constituent Focus Group Discussions Session 1

Focus Group
May – July 2024

Meeting Agenda

- Introductions and Welcome from Myers and Stauffer
- Meeting Format
- UPL Presentation
 - PDAB Background
 - UPL Primer
 - Supply Chain Discussion
 - Potential Methodologies
- Constituent Group Discussion and Feedback



Background: Legislative Authority

Enabling Legislation ([SB192](#))

SECTION 3. (1) The Prescription Drug Affordability Board established in ORS 646A.693 *shall develop a plan for establishing upper payment limits* on drugs sold in this state that are subject to affordability reviews under ORS 646A.694. *The plan shall include:*

- (a) A methodology for establishing upper payment limits;*
- (b) An analysis of the resources needed by the board to implement the plan;*
- (c) An analysis of how upper payment limits would be enforced; and*
- (d) An analysis of how upper payment limits could be implemented with respect to:*
 - (A) Plans administered by the Public Employees' Benefit Board;*
 - (B) Plans administered by the Oregon Educators Benefit Board;*
 - (C) Other state-administered health benefits;*
 - (D) Health benefit plans, as defined in [ORS 743B.005](#); and*
 - (E) Other forms of insurance that provide pharmaceutical benefits, to the extent permitted by federal law.*



Background: PDAB Process

- **Authority:**
 - The Prescription Drug Affordability Board (PDAB) will select from the list of eligible prescription drugs, provided by the Department of Consumer and Business Services pursuant to ORS 646A.694, a subset of drugs to prioritize for an affordability review under OAR 925-200-0020.
 - OAR 925-200-0020 Conducting an Affordability Review: The PDAB will conduct an affordability review on the prioritized subset of prescription drugs, selected under OAR 925-200-0010 to identify nine prescription drugs and at least one insulin product that may create affordability challenges for health care systems or high out-of-pocket costs for patients in Oregon.



Background: PDAB Process

- Drugs Under Review & Board Schedule
 - As posted on website:
 - <https://dfr.oregon.gov/pdab/Pages/affordability-review.asp>

Board Meeting Date	Drugs for Review
January 26, 2024 (Completed)	Tresiba Tresiba FlexTouch Humulin R U-500 KwikPen
May 15, 2024	Ozempic Trulicity
June 26, 2024	Shingrix Ocrevus
July 24, 2024	Entyvio Inflectra
August 21, 2024	Cosentyx Skyrizi
September 18, 2024	Tremfya Vyvanse
October 16, 2024	Genvoya Triumeq



PDAB UPL Landscape

- **What other states have UPL authority**
 - Colorado, Minnesota, Washington have full authority to set a UPL.
 - Maryland is required to conduct a study on policy options, which may include setting UPLs.
 - Maine’s PDAB is responsible for developing spending targets for prescription drugs purchased by public payers.
 - The New Hampshire Board is charged with recommending strategies for public purchasers to meet drug spend targets.
 - Massachusetts and New York are authorized to negotiate Medicaid supplemental rebates for high-cost drugs.
- **Status of other state reviews**
 - Colorado has determined that they will “initiate rulemaking to establish a UPL for Enbrel.*
 - * See Colorado PDAB DRAFT Meeting Minutes from Friday, February 23, 2024;
<https://drive.google.com/drive/folders/1mJFy7nfisd-lZqDQGA5fbYUtOopQlaaH>, accessed 3/29/2024, 5/8/2024



Oregon UPL Description

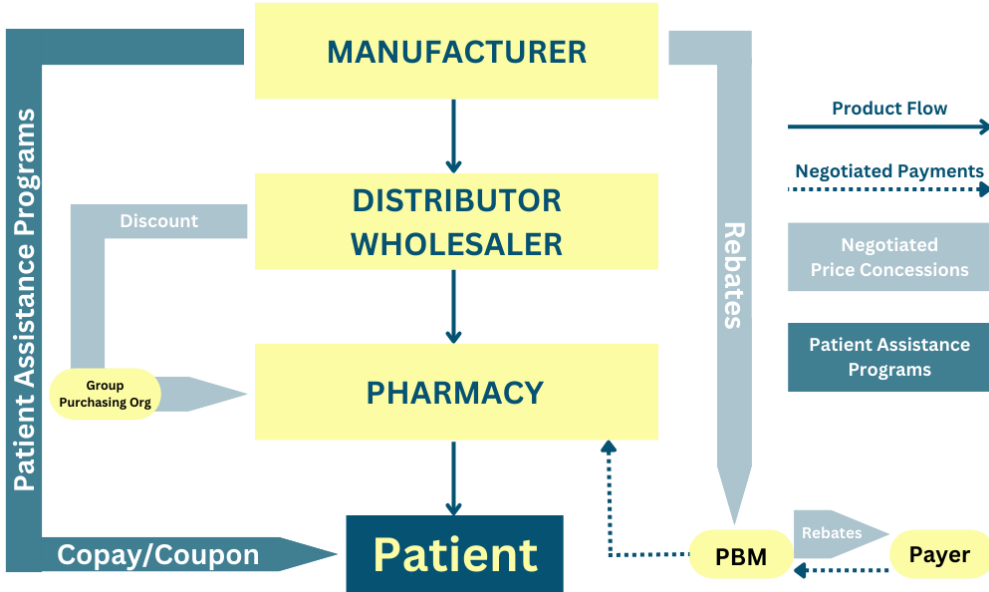
- Oregon UPL
 - Establishes the maximum amount that can be paid for a prescription drug that is dispensed in Oregon.
 - Leverages existing processes of negotiating price concessions that already exist in the supply chain.
 - Does not regulate how manufacturers list or set prices.
 - Concept is similar to using a Federal Upper Limit (FUL), National Average Drug Acquisition Cost (NADAC), or Maximum Allowable Cost (MAC).
 - Concept is intended to avoid impacting the “best price” in Medicaid.

2022 Prescription Drug Affordability Board – Report 2022; https://dfr.oregon.gov/pdab/Documents/reports/PDAB-Report_2022.pdf (Accessed 2/28/2024)

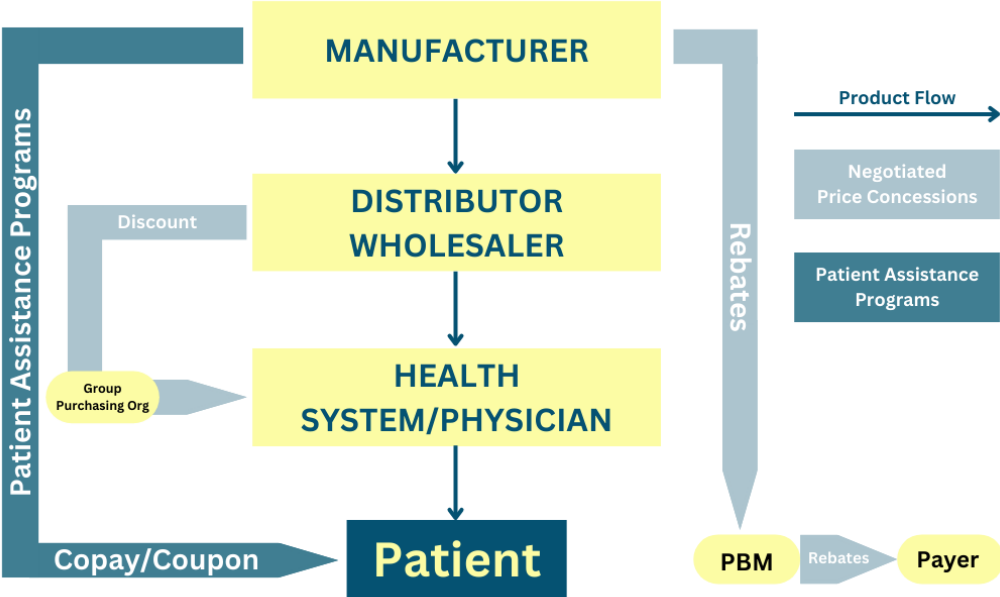


Supply Chain Impacts: Drug and Pricing Flow

Retail



Health-System/Physician-Administered



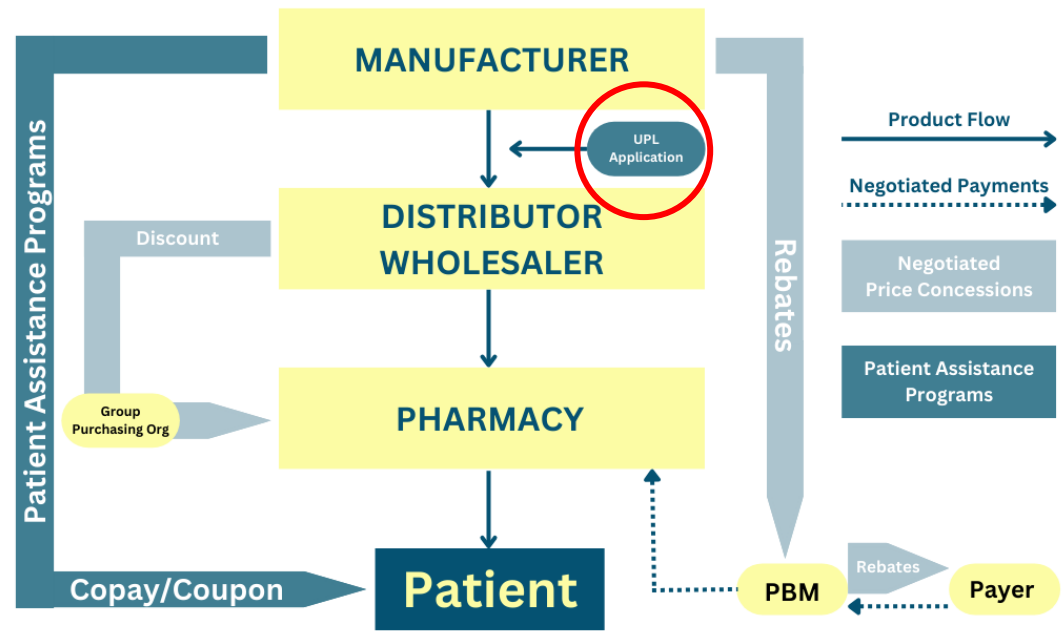
Potential UPL Principles

- UPLs should improve market function for prescription products that have a UPL by achieving one or more of the following:
 - Improve patient access to the product
 - Improve manufacturer product access to the state market
 - Reduce health plan costs for the product
 - Reduce overall market dysfunction
 - Market competition continues but is reset to the UPL as the starting point

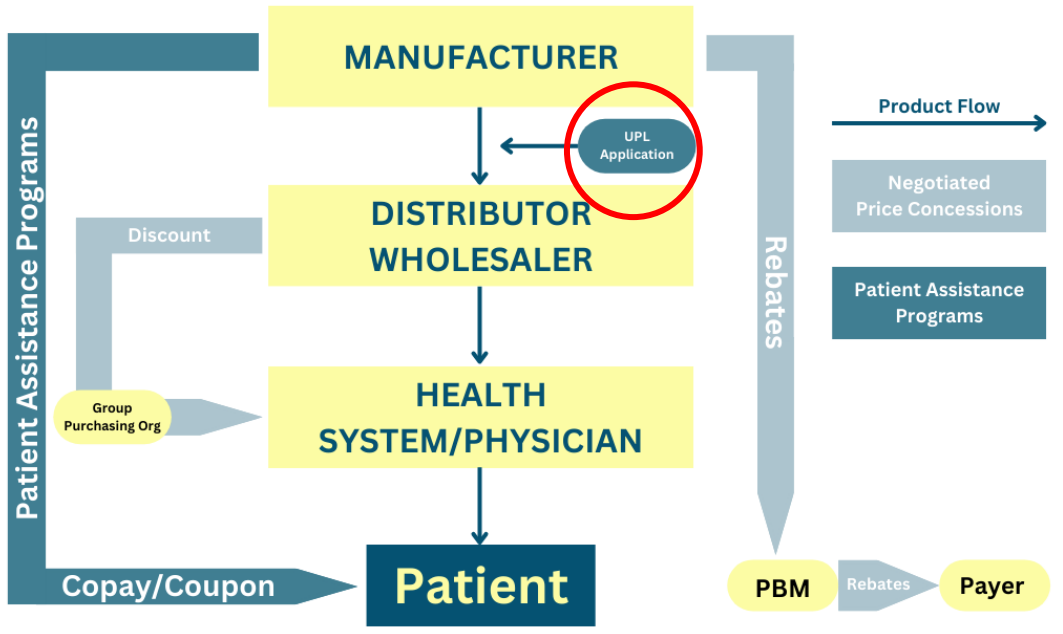


Supply Chain Impacts: Drug and Pricing Flow

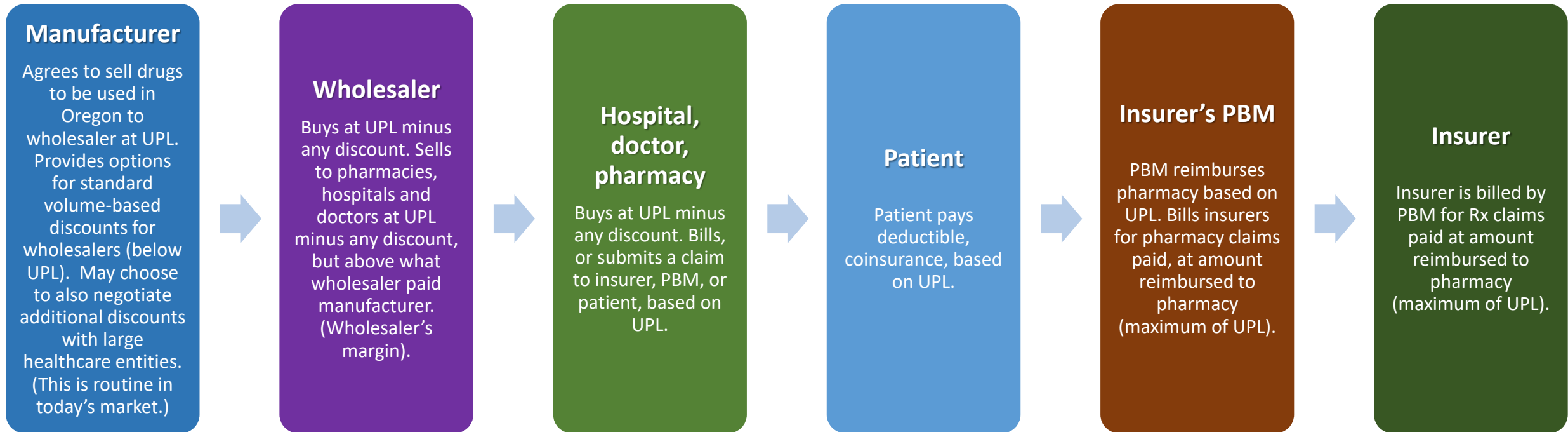
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Basics of UPL acquisition cost, billing, and payment



Note: UPL replaces WAC, AWP, AAC, EAC etc. UPL is the metric for all financial transactions for ingredient cost. Like existing metrics, there will be 'UPL minus' in the supply chain.

Dispensing or administration fees, independent of ingredient cost, may still be charged by pharmacies or the health care provider administering the drug to the patient.



Supply Chain Impacts: Recent Industry Events

- In January, 2024, there was a decrease in the WAC cost of several prescription drugs.
- This happened as a result of changes to the Medicaid program that would have reduced the cost of drugs below \$0 and required manufacturers to pay rebates that were higher than the drug cost paid by Medicaid.
- Manufacturers responded by decreasing the published Wholesale Acquisition Cost (WAC) for these drugs (for example, Advair Diskus and some insulins).
- This is important, because it can serve as an analogy for how a UPL might similarly impact the supply chain. We will come back to this concept in our discussion questions.



Group Discussion

- Impact of Drug Affordability
 - Desired State of Drug Affordability
 - UPL Impact
 - UPL Methodologies
 - Recommendations
 - Final Thoughts
- Written feedback related to the UPL focus group discussions or the survey concepts may be provided to OregonPDAB@mslc.com . Please provide this feedback by 6/4/2024.
 - You may also participate in the public comment process by writing and submitting a letter to the board or signing up to speak during a board meeting. The participation form may be found here <https://dfr.oregon.gov/pdab/Pages/public-comment.aspx>

