



Constituent Focus Group Discussions Session 2

Focus Group

May – July 2024

Meeting Agenda

- Introductions and Welcome from Myers and Stauffer
- UPL Presentation (Refresher)
 - Drug and Pricing Flow
 - Basics of UPL Acquisition Cost, Billing and Payment
- Continuation of Constituent Group Discussion and Feedback



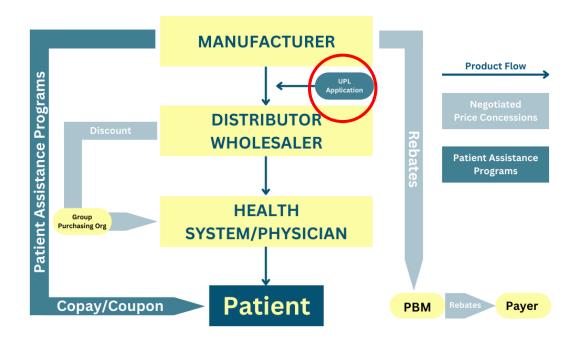


Supply Chain Impacts: Drug and Pricing Flow

Retail

MANUFACTURER Product Flow Negotiated Payments Negotiated Price Concessions Patient Assistance Programs Product Flow Negotiated Payments Patient Assistance Programs Payer

Health-System/Physician-Administered





Basics of UPL acquisition cost, billing, and payment

Manufacturer

Agrees to sell drugs to be used in Oregon to wholesaler at UPL. **Provides options** for standard volume-based discounts for wholesalers (below UPL). May choose to also negotiate additional discounts with large healthcare entities. (This is routine in today's market.)

Wholesaler

Buys at UPL minus any discount. Sells to pharmacies, hospitals and doctors at UPL minus any discount, but above what wholesaler paid manufacturer. (Wholesaler's margin).

Hospital, doctor, pharmacy

Buys at UPL minus any discount. Bills, or submits a claim to insurer, PBM, or patient, based on UPL.

Patient

Patient pays deductible, coinsurance, based on UPL.

Insurer's PBM

PBM reimburses
pharmacy based on
UPL. Bills insurers
for pharmacy claims
paid, at amount
reimbursed to
pharmacy
(maximum of UPL).

Insurer

Insurer is billed by PBM for Rx claims paid at amount reimbursed to pharmacy (maximum of UPL).

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.





Group Discussion

- Impact of Drug Affordability
- UPL Impact
- UPL Implementation
- UPL Methodologies
- Desired State of Drug Affordability
- 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/p ublic-comment.aspx

