



Oregon Prescription Drug  
Affordability Board



# Prescription Drug Affordability Board **Community Forums**

April - May 2024

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Oregon Prescription Drug Affordability Board (PDAB)  
Department of Consumer and Business Services (DCBS)

# Why are we here?

- Provide you information on the Prescription Drug Affordability Board (PDAB) and background on prescription drug costs
- Discuss upper payment limit (UPL)
- Hear how the high cost of prescription drugs has affected you



# Prescription Drug Affordability Board (PDAB)

## □ Purpose

- Created under Senate Bill 844 (2021) to protect Oregonians, state and local governments, commercial health plans, health care providers, pharmacies, and others within the health care system from the high costs of prescription drugs

## □ Composition

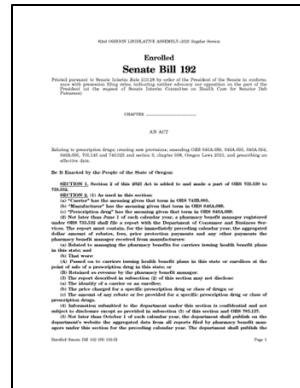
- Eight members appointed by the governor and confirmed by the Senate, with backgrounds in clinical medicine or health care economics



# PDAB works to make Rx affordable

➤ The board recommended to the Oregon Legislature that it lower the insulin copay limit to \$35 and/or decouple from inflation index

✓ The 2024 Legislature passed Senate Bill 1508 that will cap the cost of insulin at \$35 a month and limit the cost to \$105 for a 90-day supply



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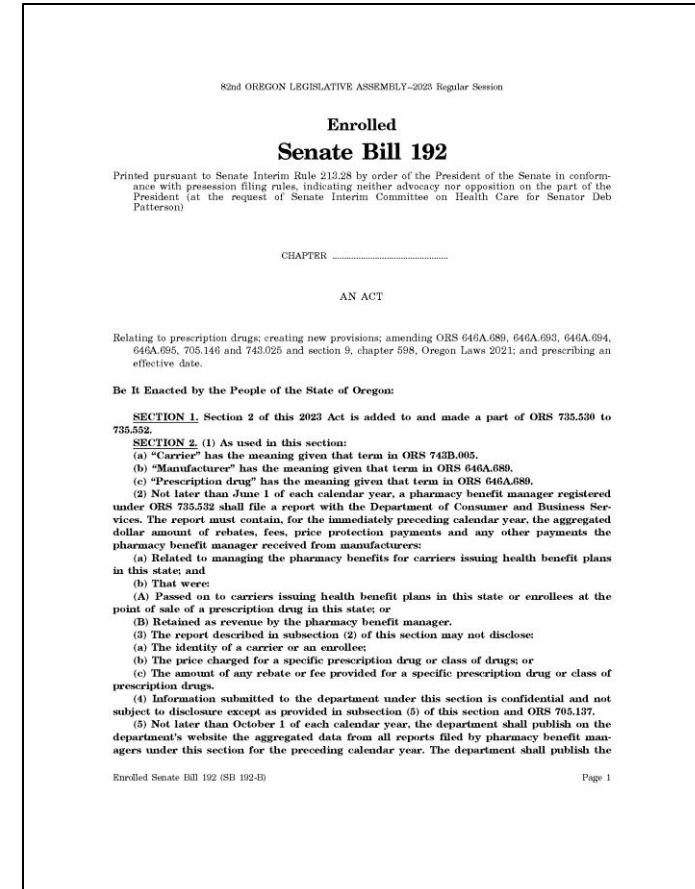
# PDAB works to make Rx affordable

- Recommended to the Legislature a study of upper payment limits and more transparency of pharmacy benefit managers (PBMs), a middleman in the drug supply chain
  - ✓ The 2023 Legislature passed Senate Bill 192 to create an implementation plan for upper payment limits and increase reporting requirements for pharmacy benefit managers to improve transparency.



# What does Senate Bill 192 ask PDAB to do?

- Develop an approach to establish an **upper payment limit (UPL)** on prescription drugs
- Seek public input on the effect of the rising cost of drugs



# What is an upper payment limit (UPL)?

- A limit on what purchasers in the state will pay for specific drugs
- It creates a ceiling on what a payer can pay for a drug
- It does not set the price a manufacturer can charge



# What is a prescription drug?

- Intended for the diagnosis, cure, mitigation, treatment, or prevention of disease
- **Brand name** = covered by a patent for a set period
- **Generic** = same ingredients as brand name; available after the patent has expired
- Generics usually cost less and are used more frequently due to cost





# How do Rx costs affect patient out-of-pocket costs?



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# Prescription drug costs for consumers

- 6 in 10 adults take at least one prescription medicine
- About 8 in 10 adults believe the cost of prescription drugs is unreasonable
- 28 percent say it is difficult to afford their prescription medicine; 40 percent of those have a household income of less than \$40,000
- About 3 in 10 people haven't taken their medicine as prescribed due to cost
- About 8 in 10 people think drug company profits are a major contributing factor to prescription drug costs

Source: "Public Opinion on Prescription Drugs and Their Prices," by Ashley Kirzinger et al, KFF, Aug. 21, 2023



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# Prescription drug costs affect public health

The state of Oregon is a major purchaser of prescription drugs

- Oregon Health Plan: \$1.3 billion in 2022
- Public Employees' Benefit Board (PEBB): \$180 million in 2022
- Oregon Educators Benefit Board (OEBB): \$127 million in 2021-2022
- CAREAssist (Oregon's AIDS Drug Assistance Program): \$17 million in 2023



# How do Rx costs affect premiums?



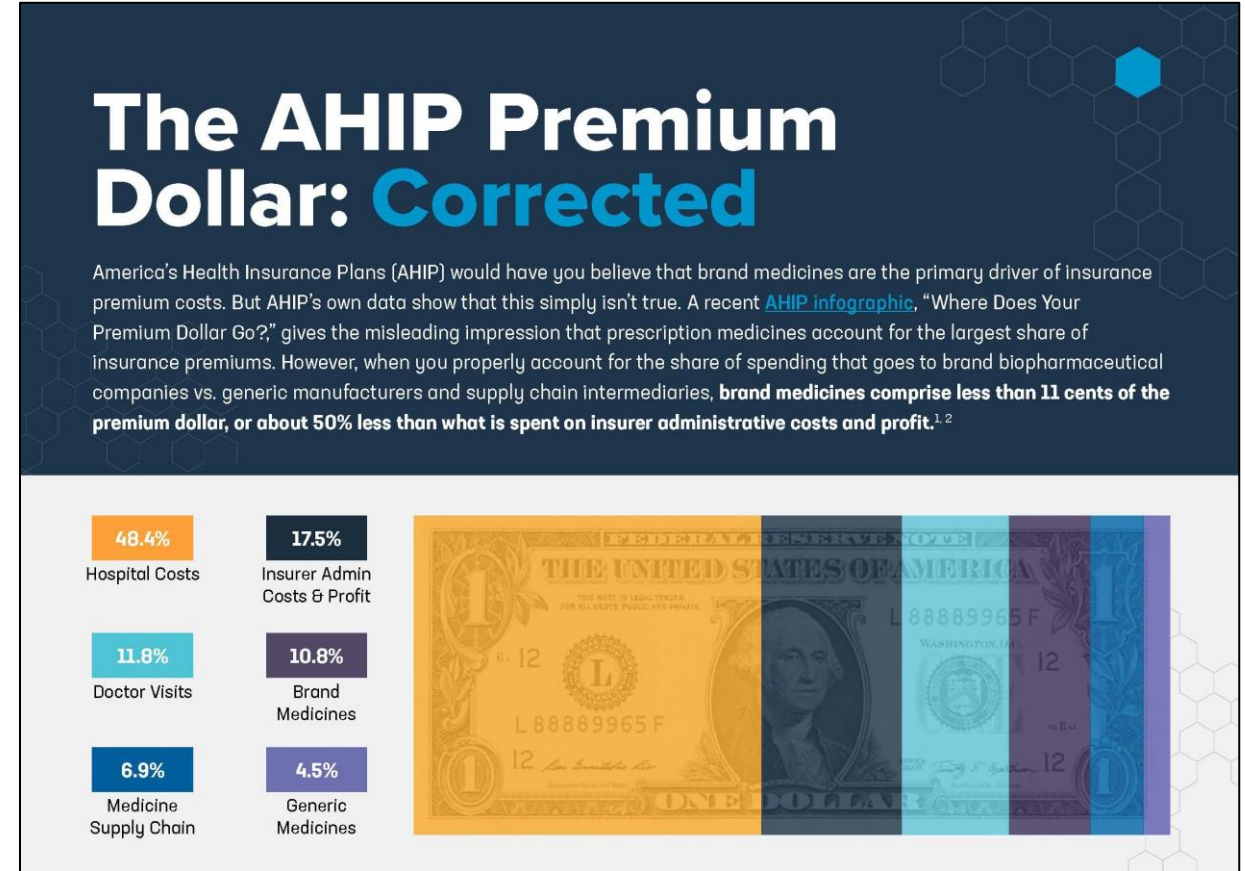
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# It depends on who you ask!



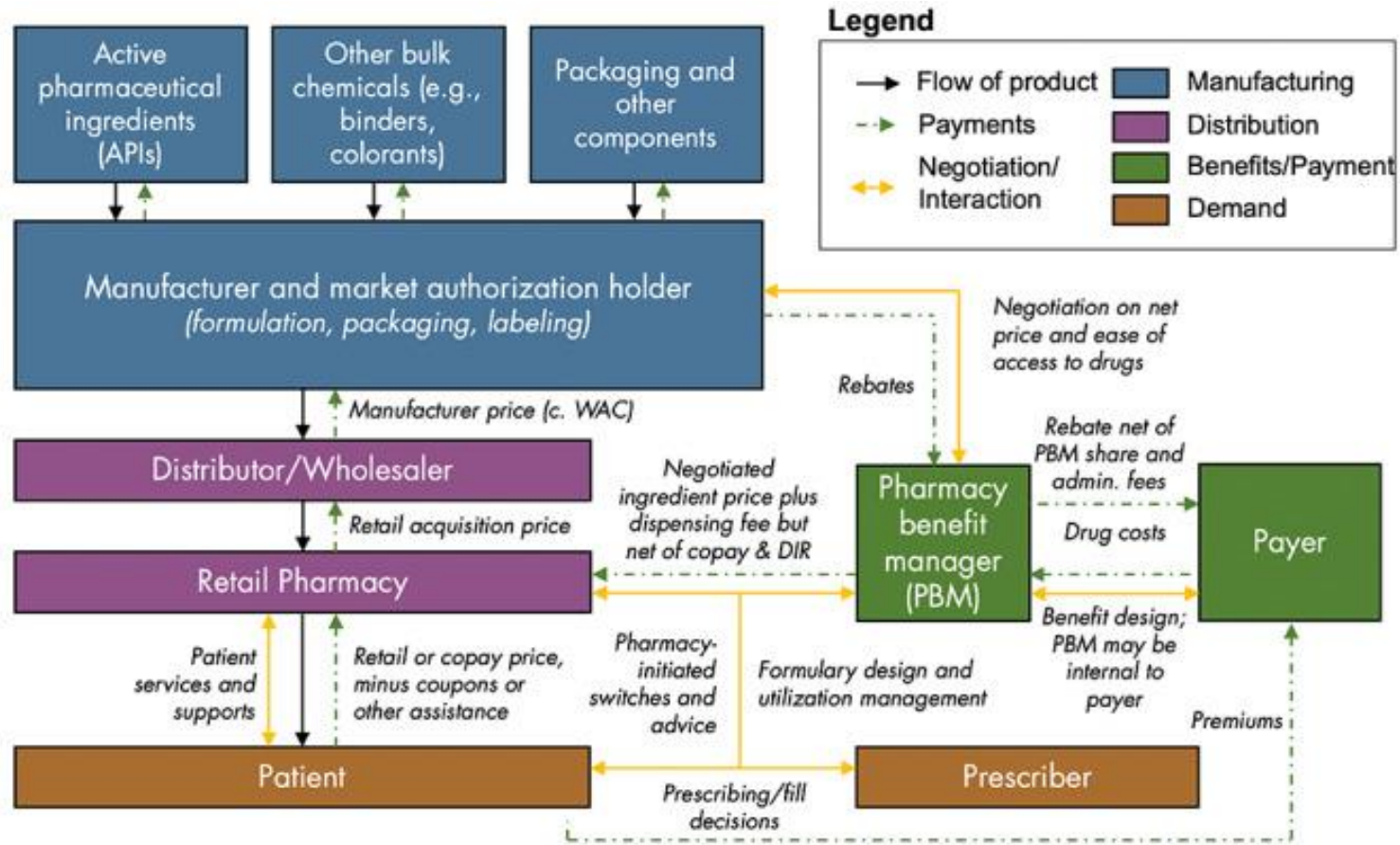
Source: AHIP (national association whose members provide health care coverage, services)



Source: PhRMA (national advocacy association for companies that provide research and develop treatments and cures)



# Typical supply chain for brand-name drugs



Source: Mulcahy, Andrew W. and Kareddy, Vishnupriya. "Prescription Drug Supply Chains: An Overview of Stakeholders and Relationships." RAND Health Quarterly, June 2022. <https://pubmed.ncbi.nlm.nih.gov/35837523/>. Accessed March 12, 2024.

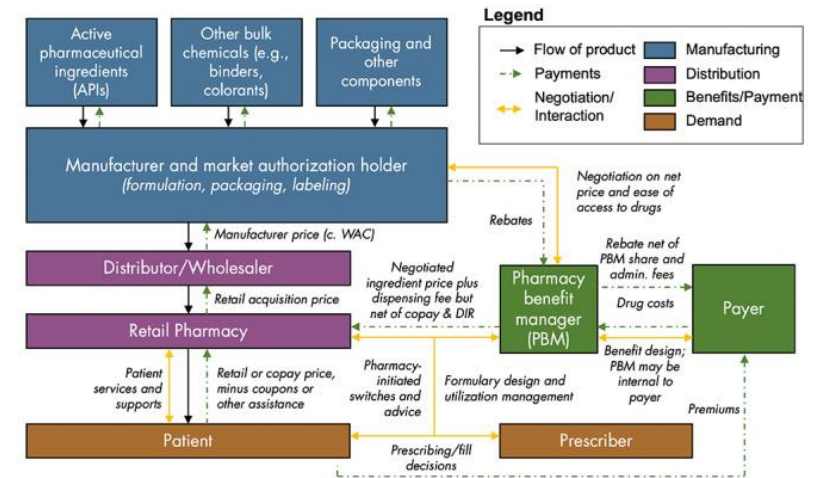


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# Rx supply chain: everyone plays a role

- Manufacturers – brand, generic, biosimilars
- Wholesale distributors
- Pharmacies
- Pharmacy benefit managers (PBMs)
- Insurance companies
- Medical providers
- Consumers
- Government agencies and others



Source: “Pharmacy Benefit Manager Overview,” by Division of Financial Regulation policy managers, presented to the Prescription Drug Affordability Board on Oct. 12, 2022.



**Why are prescription drug costs so high?  
Here are some opinions.**



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# America's Health Insurance Plans: Copay coupons

- Pharmaceutical manufacturers offer copayment coupons to insured patients to reduce or eliminate out-of-pocket costs for brand-name drugs.
- Coupons remove incentives for patients to use lower cost drugs and manufacturers to lower their prices.



Sources: AHIP presentation to the Prescription Drug Affordability Board on May 17, 2023.

[Special Advisory Bulletin Pharmaceutical Manufacturer Copayment Coupons](https://oig.hhs.gov/documents/special-advisory-bulletins/878/SAB_Copayment_Coupons.pdf), HHS OIG, September 2014. [https://oig.hhs.gov/documents/special-advisory-bulletins/878/SAB\\_Copayment\\_Coupons.pdf](https://oig.hhs.gov/documents/special-advisory-bulletins/878/SAB_Copayment_Coupons.pdf)



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# Initiative for Medicines, Access, and Knowledge: Patents

- There are 74 granted patents on each of American's 10 top selling drugs.
- This gives major drugmakers an advantage to keep generic and biosimilar competitors off the market.
- Lower-cost generic and biosimilar versions of three top-selling drugs – Humira, Eliquis, Enbrel – launched in Europe about 77 years earlier than their expected U.S. entry. Americans will spend about \$167 billion on branded versions of these three drugs.

Sources: I-MAK presentation to the Prescription Drug Affordability Board on Nov. 16, 2022. "Overpatented, Overpriced: curbing patient abuse: tackling the root of the drug pricing crisis." I-MAK, September 2022. <https://www.i-mak.org/overpatented/>



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# Oregon State Pharmacy Association: PBMs

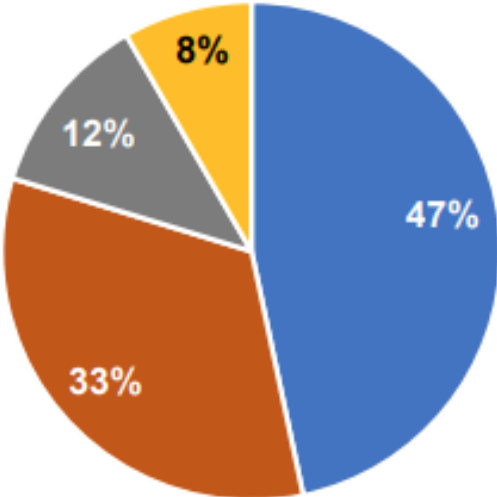
- PBMs steer patients to their own affiliated pharmacies for their own profit, resulting in increased cost of care.
- PBMs gain profit from spread pricing. In spread pricing, a PBM charges a payor more for a drug than it pays the pharmacy where it obtained the drug. The PBM keeps the difference as profit.

Sources: Oregon State Pharmacy Association presentation to the Prescription Drug Affordability Board on Jan. 18, 2023. “Understanding Pharmacy Reimbursement Trends in Oregon: The High Costs of Low Prices,” October 2022. “The District of Columbia has taken significant steps to ensure accountability over amounts managed care organizations paid to pharmacy benefit managers.” March 16, 2023. U.S. Department of Health and Human Services, Office of Inspector General. <https://oig.hhs.gov/oas/reports/region3/32000200.asp>



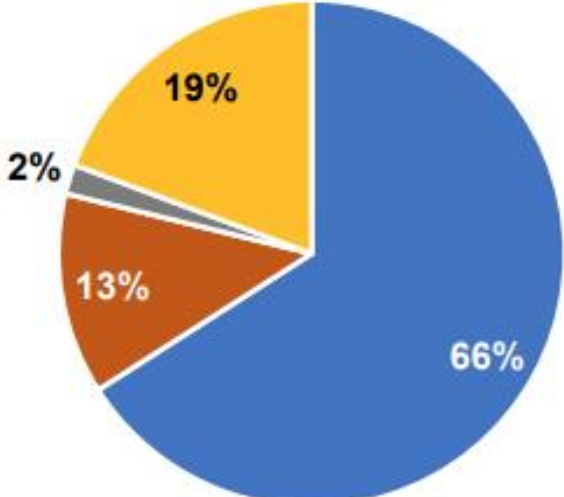
# Manufacturer direct cost breakdown

Brand-name drugs



- Marketing %
- Manufacturing %
- Distribution %
- Safety and effectiveness %

Generic drugs



- Marketing %
- Manufacturing %
- Distribution %
- Safety and effectiveness %

Source: Oregon Drug Price Transparency Program - Annual Report 2023. <https://dfr.oregon.gov/drugtransparency/Documents/20231207-dpt-hearing/Prescription-Drug-Price-Transparency-Annual-Report-2023.pdf>. Accessed March 12, 2024.



**We want to hear from you!**

**Please share with us information  
on the type of drug and costs.**



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- **How has the cost of your prescription drugs affected you or your household?**
- **Do you feel you can follow your medical treatment plan for your condition with the cost of your prescription drug(s)?**
- **Do you, or have you, had to switch your Rx due to insurance coverage?**



# Consumer participation at board meetings

PDAB Meeting Date	Prescription drugs	Main Treatment
May 15	Ozempic	Type 2 diabetes
May 15	Trulicity	Type 2 diabetes
June 26	Shingrix	Reduces the incidence of shingles
June 26	Ocrevus	Multiple sclerosis (MS)
July 24	Entyvio	Ulcerative colitis & Crohn's
July 24	Inflectra	Rheumatoid arthritis, Crohn's, ulcerative colitis
Aug. 21	Cosentyx	Plaque psoriasis, psoriatic arthritis
Aug. 21	Skyrizi	Plaque psoriasis & Crohn's
Sept. 18	Tremfya	Plaque psoriasis
Sept. 18	Vyvanse	ADHD & eating disorder
Oct. 16	Genvoya	HIV
Oct. 16	Triumeq	HIV
Nov. 20	The board will have the final review of drugs and make Legislative recommendations.	





# How to attend online board meetings:

Go to <https://dfr.oregon.gov/pdab>

- Click on board calendar and materials
- Scroll to the meeting date
- Click on “Register here”
- Sign up for the Zoom meeting
- If you need assistance, email to [pdab@dcbs.oregon.gov](mailto:pdab@dcbs.oregon.gov) or call 971-374-3724

The screenshot shows the Oregon Prescription Drug Affordability Board website. The header includes navigation links: Oregon.GOV, Legislative reports, Newsletters, Policies and rulemaking, Contact us, Prescription drug data, Conflict of interest, and Drug affordability review. The main heading is "Oregon Prescription Drug Affordability Board" with the tagline "Working to make prescription drugs affordable". Below this is a breadcrumb trail: "Oregon Prescription Drug Affordability Board > Board calendar and materials".

### Board calendar and materials

2024 2024 print version

Month	Date	Day	Time	Materials
January	26	Wednesday	1:00 p.m. - 3:30 p.m.	Agenda packet, Meeting minutes, Video, Public comments
February	21	Wednesday	9:30 a.m. - 12:00 p.m.	Agenda packet, Video, Public comments
March	20	Postponed		
April	17	Wednesday	9:30 a.m. - 12:00 p.m.	Register here, Public comments
May	15	Wednesday	9:30 a.m. - 12:00 p.m.	Register here
June	26	Wednesday	9:30 a.m. - 12:00 p.m.	Register here
July	24	Wednesday	9:30 a.m. - 12:00 p.m.	Register here
August	21	Wednesday	9:30 a.m. - 12:00 p.m.	Register here

Left sidebar menu items: Board members, Board calendar and materials (selected), Drug affordability review, Prescription drug data, Public comment form, Policies and rulemaking, Legislative reports, Newsletters, Conflict of interest, Frequently asked questions (FAQs), Get board updates, Contact us.



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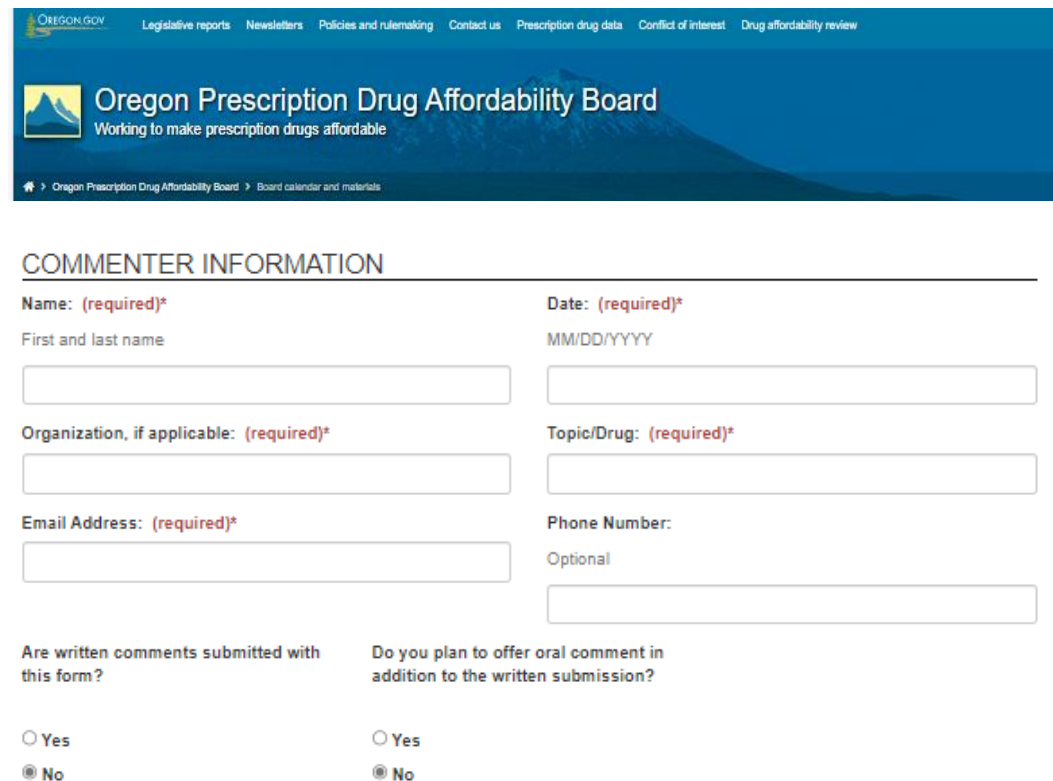




# How to submit public comment for board meetings:

Go to <https://dfr.oregon.gov/pdab>

- Click on the public comment form
- Complete and submit the form
- Register for the Zoom meeting
- If you need assistance, email [pdab@dcbs.oregon.gov](mailto:pdab@dcbs.oregon.gov) or call 971-374-3724



The screenshot shows the Oregon Prescription Drug Affordability Board website. The header includes the Oregon.gov logo and navigation links: Legislative reports, Newsletters, Policies and rulemaking, Contact us, Prescription drug data, Conflict of interest, and Drug affordability review. The main heading is "Oregon Prescription Drug Affordability Board" with the tagline "Working to make prescription drugs affordable". Below this is a breadcrumb trail: Oregon Prescription Drug Affordability Board > Board calendar and materials.

The form is titled "COMMENTS INFORMATION" and contains the following fields:

- Name: (required)\***: First and last name (text input)
- Date: (required)\***: MM/DD/YYYY (text input)
- Organization, if applicable: (required)\***: (text input)
- Topic/Drug: (required)\***: (text input)
- Email Address: (required)\***: (text input)
- Phone Number:**: Optional (text input)

At the bottom, there are two questions with radio button options:

- Are written comments submitted with this form?  
 Yes  
 No
- Do you plan to offer oral comment in addition to the written submission?  
 Yes  
 No



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# Register for the board meetings and take the survey about drug costs:



<https://dfr.oregon.gov/pdab/>

Contact us

[pdab@dcbs.oregon.gov](mailto:pdab@dcbs.oregon.gov)

971-374-3724



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