



Oregon Prescription Drug  
Affordability Board

# THE QUARTERLY

## Senate Bill 404 features PDAB recommendations

Last December, the Prescription Drug Affordability Board (PDAB) provided recommendations to the Oregon Legislature on ways to relieve the burden of high priced prescription drugs for Oregonians. The Legislature responded to the board’s recommendation by adopting them in [Senate Bill 404](#), sponsored by Sen. Deb Patterson, District 10 (Salem). Senate Bill 404 directs the board to develop a plan for establishing upper payments limits (UPL) on drugs sold in Oregon that are subject to affordability reviews. If passed, the board would report back to the Legislature by Sept. 15, 2024. An upper payment limit is a maximum amount paid or reimbursed for a prescription drug. This cost containment measure is recommended in Oregon due to the rising costs of prescriptions that have become unaffordable for Oregonians. Other states are working on upper payment limits, including prescription drug affordability boards in Maryland and Colorado.

In addition to UPLs, the legislation would establish new reporting requirements for manufacturers and pharmacy benefit managers to the Drug Price Transparency Program and other provisions summarized below regarding coupon or patient assistance programs. The bill was passed out of the Senate Health Care Committee March 22 and is waiting disposition on the Senate president’s desk. You can [follow the bill’s progress](#).

| SB 404-6 Summary   | Details   |
|--|---|
| * Develop an implementation plan for upper payment limit. <i>Section 3</i>   | * Methodology, resources needed, implementation, potential savings for the state, insurers, hospitals, consumers.   |
| * Transparency in supply chain rebates. Annual PBM reporting to Drug Price Transparency Program. <i>Section 2 (2)</i>                          | * Aggregated dollar amount of rebates, fees, and any other payments the pharmacy benefit manager or group purchasing organization received from manufacturers.                              |
| * Expand reporting requirements for patient assistance programs to the Drug Price Transparency Program. <i>Section 5 (5)</i>                   | * Patient assistance programs in Oregon provided by the manufacturer, including number of participants, total coupon value, discounts, copayments, number of refills, eligibility criteria. |
| * Expand reporting to include all state regulated health insurance carriers to the Drug Price Transparency Program. <i>Sections 10-12</i>      | * Separates the rate filing and the drug spending reporting and expands the application of the required drug spending reporting to all state regulated health insurance carriers in Oregon. |
| * Expand board membership to eight members. <i>Section 6</i>   | * Currently, there are five members and three alternates. Amends ORS 646A.693   |
| * Allows PDAB and Drug Price Transparency Program to set fees for program operations for manufacturers based on drugs that are sold in Oregon. | * SB 844 (2021) required that fees be set based on a manufacturer’s share of gross revenues from the sales of prescription drugs in this state.   |



# PDAB member profiles



*Dr. Daniel Hartung climbed the highest peak in the continental U.S.*

## **What or who inspired you into pharmaceutical studies, teaching, and research?**

My decision to become a pharmacist was inspired by a health scare I had as a teenager, where I was hospitalized for a week or so with a very rare, but life-threatening drug reaction. That event spurred my interest in understanding pharmaceuticals and their effect on humans – both good and bad. My academic pharmacy and pharmaceutical policy career were influenced by professors, researchers, and clinicians I encountered during my initial training as a pharmacist in Wisconsin and among researchers here in Oregon. Oregon has been a leader in developing innovative policies aimed at improving healthcare quality and access for its citizens. It's been exciting to watch that unfold over the last 20 years.

## **Do we have enough students entering the pharmacy profession to replace retiring pharmacists? How do we attract more students into this field?**

The last five years have been a challenge for the pharmacy workforce. The profession played a major role in addressing health care needs related to the pandemic. The stresses endured due to COVID-19 as well as other business operation challenges, have taken a toll. However, these challenges also highlighted exciting opportunities for pharmacists to improve the lives of the patients they serve, especially in Oregon where, among other things,

## **PDAB Board Member Dr. Daniel Hartung**

Dan is a tenured professor in the College of Pharmacy at Oregon State University. He is also an adjunct faculty member with the OHSU School of Public Health and an investigator in the OHSU Center for Evidence-Based Policy.

Dan earned his bachelor's degree and doctorate in pharmacy from the University of Wisconsin and MPH (biostatistics/epidemiology emphasis) from OHSU. He completed a pharmacy practice residency at the Portland VA Medical Center and a fellowship in outcomes research at OSU.

Dan has been an OSU College of Pharmacy faculty member since 2007. Dan's research interests include pharmaceutical health services research, systematic reviews, pharmaco-epidemiology, and healthcare economics.

## Professor Dan Hartung continued

pharmacists have gained legal authority to practice at the top of their license to advance public health priorities through prescribing contraceptives and tobacco cessation products. At Oregon State University, we need to continue to shine a light on these opportunities to potential students and inspire them to train with us to be part of this exciting future.

### **Why is medication important in the lives of Oregonians for fighting cancer or debilitating diseases, and for maintaining the ability to carry on a normal life?**

Medications have always been a critical aspect of improving the quality and longevity of life for individuals with diseases. In the last several years, we have witnessed spectacular advances in the treatment of many conditions, such as hepatitis C, cystic fibrosis, and certain cancers. These advances are certainly a testament to our flourishing pharmaceutical industry. However, it is also important that patients can access these therapies. I'm hoping my work on the affordability board can help Oregonians gain access to these life-changing therapies.

### **What have been the greatest achievements so far for the Oregon State University Hartung Research Group?**

#### **What obstacles have you encountered, and how have you overcome them?**

I'm particularly proud of some of my work that has examined drug affordability issues in persons with multiple sclerosis. MS is a progressive disabling condition of the brain and central nervous system, and it often strikes people in the prime of their life. For those with MS, treatment with disease-modifying therapies is critical to slowing their disease progression and helping them remain independent. However, these therapies are very expensive and can be a financial burden for folks. A lot of my work in this area has sought to highlight how the costs of therapy for MS have escalated over the years and how that negatively affects patient access to those medicines. Some of this work has helped shape policy discussions within different legislative bodies, and I'm particularly proud of this.

### **Tell us about the trek up 14,566-foot Mt. Whitney, the highest peak in the continental U.S. What is the next peak on your list?**

The photo was the culmination of a 210-mile hike on the John Muir Trail in the High Sierra Nevada mountains that I took in the summer of 2022. It was a fantastic experience that I continue to reflect on. I don't anticipate tackling more peaks like that in the near future, but I'll probably do some more hiking in and around Oregon this year.



Professor Hartung was featured on Oregon Public Broadcasting's Think Out Loud about his study showing that in Oregon, people released from prison were 10 times more likely to overdose on opioids than the general population. The findings were published in the [Journal of Substance Use and Addiction Treatment](#).

[Listen to the OPB interview](#)

# Cost growth committee endorses PDAB recommendations

The Cost Growth Target Advisory Committee endorsed PDAB's recommendations for lowering prescription drug costs. The 20-member committee, which shares the mission of tracking the growth in health care costs, made the endorsement at the January 18 meeting.

Committee member Maribeth Guarino, a health care advocate with Oregon Public Interest Research Group (OSPIRG), said prescription drug spending was one of the fastest growing factors of health care costs in Oregon between 2013 and 2019. The PDAB report looks deeper at this spending trend. "These recommendations will provide good information for us moving forward," she said.

Committee member Angela Dowling, president, Regence Blue Cross Blue Shield, said pharmaceutical costs are increasing at a faster rate than general medical inflation. "If we don't address pharmacy or prescription costs, we leave a big portion of health care spending on the table."

Committee member Shanon Saldivar, owner and broker of Saldivar Insurance, said the PDAB report shows how affordability for consumers can vary dramatically. "A consumer needs to get the prescription at the right place at the right time while jumping through the right hoop."

Ralph Magrish, PDAB executive director, said the board recommendations to expand data collection to better understand the landscape and marketplace will help inform policy makers and improve transparency. Oregonians want to better understand what is driving up prescription drug costs. "We are heading in a right direction in an intelligent way."

The Prescription Drug Affordability Board annually reports findings to the Cost Growth Target program. Sarah Bartelmann, program manager, said PDAB recommendations will help the committee reach its goals too.



*North Sister view from North Matthieu Lake Trail in the Three Sisters Wilderness.*

## How to participate in a Prescription Drug Affordability Board meeting

The Prescription Drug Affordability Board welcomes public comments, both verbal and written. Here are ways to communicate ideas and feedback to the board

- **Provide verbal comments** to the board during one of the monthly meetings. The public comment portion is near the end of the meeting and each person will have three minutes to speak. The board chair will call on those who sign up in advance. [Sign up here](#).
- **Provide written comments** to the board. Written comments are passed along to board members for reading in advance of the meeting. Written comments can also be submitted anytime for the board's viewing. Submit written comments through the website. [Submit comments here](#).
- **Written comments are posted** to the PDAB website. All comments become part of the public record and are subject to disclosure requests under Oregon Records and Meetings law.
- **Register for the board meeting** on Zoom. All 2023 meeting registrations are [posted on the PDAB website](#). For questions, send an email to [pdab@dcbs.oregon.gov](mailto:pdab@dcbs.oregon.gov). For questions, send an email to [pdab@dcbs.oregon.gov](mailto:pdab@dcbs.oregon.gov).

# Board begins the rulemaking process for affordability review rules

The Prescription Drug Affordability Board is in the process of writing, reviewing, and adopting rules to govern affordability reviews of high cost prescription drugs. This is part of the board’s mission to make prescription drugs more affordable for Oregonians. State boards create administrative rules to implement and interpret their statutory authority. The authority of the Prescription Drug Affordability Board comes from the Oregon Revised Statutes 646A.693-697. The board may permanently or temporarily adopt, amend, repeal, or renumber rules.

The rulemaking process begins with board discussion and approval, a rules advisory committee that seeks stakeholder feedback, a public comment period, and concludes with filing the rules with the Oregon Secretary of State’s office. The process takes about six months. This is not the board’s first rulemaking process. In 2022, the newly-formed board approved rules for rulemaking and public records requests.

Once complete, board rules become part of the Oregon Administrative Rules kept by the Oregon Secretary of State. The PDAB rules are listed in [Chapter 925](#).

The public is invited to participate in the rulemaking process during the public comment period. Learn about the proposed rules by reading the board meeting materials, signing up for and attending the board meeting on April 19, attending the public hearing, or submitting comments to [DFR.Rules@dcbs.oregon.gov](mailto:DFR.Rules@dcbs.oregon.gov).



## Affordability review rule

- Board discussion: Feb. 15, March 15, and April 19
- Rulemaking advisory committee: April 5
- Board approval: April 19
- File with Secretary of State: April 25
- Public hearing: May 22
- Board final approval: June 21
- File with Secretary of State: June 26
- Effective date: July 1, 2023

*Dates may be subject to change*

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**Keep track of rulemaking news:**

**[PDAB RULEMAKING PAGE](#)**

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# Rx Classroom

Board members heard three presentations so far in 2023 to increase their understanding of pharmaceutical trends. Below is a summary.



**Oregon State Pharmacy Association (OSPA):** Brian Mayo, executive director, and Kevin Russell, central Oregon director, gave a presentation based on a summary of the online [OSPA report](#). When Bi-Mart pharmacy closed 18 months ago, OSPA hired 3 Axis Advisors to do a study. Eighty-six of Oregon’s 534 retail community pharmacies, 16.1 percent, participated. The study examined prescription claims and reimbursement data for three years (2019-21), which accounted for 12 million claims. In 2018, the cost of a pharmacy to dispense a drug was \$12.40, increasing to an estimated \$15 in 2023. Pharmacies get reimbursed only \$7. The OSPA report reached five conclusions, shown on [page 20](#). The OSPA believes the solution is changing how pharmacies are reimbursed. They provided 11 recommendations on [pages 22-23](#). OSPA supports proposed House Bill 3013, which sets a minimum payment to pharmacies plus a dispensing fee established by Oregon Health Authority. You can [view this presentation](#).



**PORTAL**



**Ben Rome, MD, MPH, and Adam Raymakers, PhD, PORTAL BWH Harvard** demonstrated what the PDAB affordability review process would look like based on Senate Bill 844, PDAB’s founding legislation. PORTAL reorganized and consolidated the criteria from the statute into four buckets. Drug prices (WAC) increased by 5.9 percent per year and net spending per patient and payers increased by 4.8 percent. To determine how to measure a drug’s benefit compared to therapeutic alternatives, the board could consider asking about drug effectiveness, side effects, impact of the drug on health care resources, is the drug administered at home or in a clinic, and utilization. An expensive medicine for heart failure that reduces hospitalizations down the road can cost less money in the long run and improve a patient’s wellbeing. Drug trial information can be a good source of data. Dr. Rome recommended consulting with experts, clinicians, and patients, because there may be factors about a drug therapeutic benefit over alternatives not captured in the data. If a drug offers some benefit over what's already out there, the board can ask how much are they willing to pay for that incremental benefit. You can [view this presentation](#).



**Marty Carty, governmental affairs director, Oregon Primary Care Association,** discussed federally-qualified health centers (FQHC) and shared [a video about OPCA](#). In Oregon, 34 organizations operate 270 care delivery sites providing integrated primary and behavioral health care. Last year they served 430,000 patients, 40 percent identifying as a racial or ethnic minority. Section 340B of the Public Health Services Act requires drug manufacturers who participate in the Medicaid program to offer certain outpatient drugs to covered entities at discounted prices and provide the drug to patients based on a sliding fee scale. The same drug purchased at a discount is reimbursed at full price by payers when a patient has insurance. Covered entities keep the difference. FQHCs are required by statute to reinvest that difference into services that directly benefit patients. Under like Affordable Care Act in 2010, hospital organizations were added to the program as eligible covered entities but do not have to reinvest the net dollars back into programs and patients. OPCA recommends making it easier for FQHCs to operate retail pharmacies, increased PBM regulations, and more flexibility in using a contract pharmacy. You can [view this presentation](#).

## THE BOARD MISSION

of the Prescription Drug Affordability Board is to evaluate the cost of prescription drugs and determine whether they present an affordability challenge for consumers and health systems in Oregon. The board's statutory authority is [ORS 646A.693-697](#). Read the board's [inaugural report](#) to the Oregon Legislature.

[READ BOARD BIOS](#)

**Thank you board members!**

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- CHAIR AKIL PATTERSON
  - VICE CHAIR SHELLEY BAILEY
  - DR. RICHARD BRUNO
  - DR. AMY BURNS
  - DR. DANIEL HARTUNG
  - ROBERT JUDGE (ALTERNATE)
  - JOHN MURRAY (ALTERNATE)
  - DR. REBECCA SPAIN (ALTERNATE)

# 2023 CALENDAR

## Prescription Drug Affordability Board

[Register for Zoom meetings](#)

|            |                         |                   |
|------------|-------------------------|-------------------|
| Meeting 1  | Wednesday, January 18   | 9:30 – 11:30 a.m. |
| Meeting 2  | Wednesday, February 15  | 9:30 – 11:30 a.m. |
| Meeting 3  | Wednesday, March 15     | 9:30 – 11:30 a.m. |
| Meeting 4  | Wednesday, April 19     | 9:30 – 11:30 a.m. |
| Meeting 5  | Wednesday, May 17       | 9:30 – 11:30 a.m. |
| Meeting 6  | Wednesday, June 21      | 9:30 – 11:30 a.m. |
| Meeting 7  | Wednesday, July 19      | 9:30 – 11:30 a.m. |
| Meeting 8  | Wednesday, August 23    | 9:30 – 11:30 a.m. |
| Meeting 9  | Wednesday, September 20 | 9:30 – 11:30 a.m. |
| Meeting 10 | Wednesday, October 18   | 9:30 – 11:30 a.m. |
| Meeting 11 | Wednesday, November 15  | 9:30 – 11:30 a.m. |
| Meeting 12 | Wednesday, December 13  | 9:30 – 11:30 a.m. |