Oregon Prescription Drug Affordability Board

Oregon Prescription Drug Affordability Board Meeting
Wednesday, December 14, 2022
Minutes
Approved by the board on January 18, 2023

Call to order and roll call
Chair Akil Patterson called the meeting to order at 9:34 a.m. and asked for the roll call.

Board Members present: Vice Chair Shelley Bailey, Dr. Richard Bruno, Dr. Amy Burns, Dr. Daniel Hartung, Chair Akil Patterson, Robert Judge (alternate), John Murray (alternate).
Board members absent: Dr. Rebecca Spain (alternate)
Chair appointed John Murray, alternate, to vote in today's meeting if necessary.

Approval of the minutes
Chair Akil Patterson asked if board members had any changes to the Nov. 16, 2022, minutes on Pages 3-7 in the agenda packet: https://dfr.oregon.gov/pdab/Documents/20221214-PDAB-document-package.pdf. **Richard Bruno** moved to approve and **Vice Chair Shelley Bailey** provided a second.

MOTION by Richard Bruno to approve the November 16, 2022, minutes.
Board Voice Vote:
Yea: Richard Bruno, Amy Burns, Daniel Hartung, John Murray, Shelley Bailey, Akil Patterson.
Nay: None.
Motion passed.

Program update: Executive Director Ralph Magrish said the Drug Price Transparency (DPT) program held its annual hearing Dec. 1 to review findings and recommendations for the Oregon Legislature. They heard stories from Oregonians about financial hardships in seeking affordable drugs and extraordinary efforts to access medication, and the role of the community pharmacist in supporting them. The DPT hosted two panels, one on insulin pricing with representatives from the National Academy for State Health Policy (NASHP), Regence Blue Cross Blue Shield of Oregon, OSPIRG, and Civica Rx. The second panel on the pharmaceutical supply chain and pharmacy benefit manager (PBM) rebates included representatives from Pharmaceutical Care Management Association (PCMA), PhRMA, Healthcare Distribution Alliance (wholesaler trade association), and Oregon State Pharmacy Association (OSPA). Sen. Deb Patterson, Rep. Rob Nosse, and Rep. Ron Noble were moderators. The hearing and report are available on the DPT website: https://dfr.oregon.gov/drugtransparency/Pages/annual-reports.aspx. DPT is the program that will provide the board with a quarterly list of drugs and insulin products beginning next quarter for board affordability reviews.

In January, staff will post a research analyst position. Staff is working on a December newsletter. Staff will ask representatives at PORTAL to do a board presentation about affordability reviews soon. PORTAL is the Program on Regulation, Therapeutics, and Law, within the Division of Pharmacoepidemiology and Pharmacoeconomics at the Harvard Medical School and Brigham and Women's Hospital. Staff is exploring a contract with PORTAL for technical assistance with affordability review criteria and reviews. PORTAL currently supports the Colorado program and is a national leader in this area. Staff is also updating the PDAB web page and will begin posting all written public comments submitted to the board. Staff now has access to the state All Payer All Claims (APAC) data base housed at Oregon Health Authority for use in fee development work, consistent with board statutory

requirements. The board will hear more about this at the January meeting when it kicks off the affordability review process.

Board approval of final reports: **Cortnee Whitlock**, policy analyst, thanked the board for their contributions, guidance, and support, saying the board's experience and insight have been extremely valuable during the development of the annual reports. The unedited version of the report is located on Pages 8-57 in the agenda document: https://dfr.oregon.gov/pdab/Documents/20221214-PDAB-document-package.pdf. She displayed on the screen for board members a report version with edit notes and scrolled through to show board members changes incorporated as a result of their feedback during the Nov. 16 meeting. In the generic report, staff added language about biologicals and biosimilars on Page 15. Robert Judge said price inflation on brand drugs has really affected the ratio. Cortnee Whitlock said staff can update it and also incorporate those ideas into the next generic drug report due in June 2023. She continued scrolling through the document to point out an addition about generic co-pays on Page 15 and high-cost brands on Page 20. On Page 25, staff added information about the prescription drug supply chain for Medicare Part D. On Page 31, staff added a graph about fee-for-service. Daniel Hartung recommended changing the label "encounter." Amy Burns suggested using "pharmacy claim" instead of "encounter" in other parts of the report. On Page 39, staff changed the title to "health inequities in diverse communities." The conclusion on Page 47 shows the recommendations approved by the board Nov. 16. John Murray said he appreciates the depths of the reports. Chair Patterson asked for a motion and a second. John Murray made a motion to approve the Rx Generic Drug Report and Rx Distribution Payment System Report as amended. Richard Bruno provided the second.

MOTION by John Murray to approve final reports as amended.
Board Vote:
Yea: Richard Bruno, Amy Burns, Daniel Hartung, John Murray, Shelley Bailey, Akil Patterson.
Nay: None
Motion passed.

Chair Patterson thanked board members, staff for their work on the reports, knowing it has been a heavy lift.

2023 presentations to the board: Ralph Magrish, executive director, congratulated and thanked the board for the final report approval, a sentinel accomplishment. He and Chair Patterson worked on a model for board presentations, beginning today with asking each member to identify groups they would like to hear from in 2023. The focus will be on issues-based solutions to drug affordability, which means presenting issues that are important to the speaker, with solutions. There will be one, 15-minute presentation per meeting, with 10 more minutes for board questions. The purpose of the presentations will be providing board members information to better understand issues, especially as the board prepares for affordability reviews. Presenters will be asked to submit slides 10 days before the meeting so the board can meet its statutory obligation of posting materials one week before the meeting. Chair Patterson will prepare a letter about the process for other organizations wishing to present. Organizations identified by the board today will take priority in scheduling. If Harvard Medical School's PORTAL and other similar groups are available, they will get priority scheduling as well. He asked members to share requests.

Vice Chair Shelley Bailey recommends pharmacy services administrative organizations (PSAO), companies that contract with PBMs on innovative solutions. She would like to invite Eyad Farah, president of Health Mart Atlas, the nation's largest PSAO for small chain and community pharmacies.

John Murray would like to hear from the Oregon State Pharmacy Association on their recent report and from the Secretary of State's office when they complete the audit on PBMs. He would also like to hear from an insurer

group about how prescription medication costs travel through their system, from beginning to end, where the money goes and how they ensure the patient is getting the best benefit possible.

Chair Akil Patterson would like to hear from PhRMA about how they would benefit and reach out to low, socio-economic communities, and how marketing dollars have been spent in relation to actual drug creation costs.

Dr. Richard Bruno would like to hear from primary care providers at federally-qualified health centers, or with 340B pharmacies, or advocacy groups such as Oregon Primary Care Association, or a group representing 340B pharmacies. He would like to hear from Insulin for All or other patient advocacy groups.

Dr. Daniel Hartung recommends Institute for Clinical and Economic Review (ICER) to learn about systematic and cost-effective analysis of price changes and unjustified price increases, about their process and what they are doing to support payers, public, and private agencies through products they generate.

Robert Judge recommends generic manufacturers, Civica or CostPlus Drug Company, so the board can better understand the influences on the supply chain and payer costs.

Vice Chair Shelley Bailey would like to hear from CostPlus Drugs. She recommends 3AxisAdvisors join the Oregon State Pharmacy Association (OSPA) presentation for their work on the report. For 340B stakeholders, she recommends 340B Coalition. She also recommends Matt DiLoreto from the trade group Healthcare Distribution Alliance, to hear about wholesaler innovative solutions.

Dr. Amy Burns recommends someone from the Health Evidence Review Commission, HERC, which prioritizes efficient treatments for disease stages for Medicaid. She also recommends hearing from PEBB, OEEB or other state employee systems with drug programs that drive a lot of cost, or other large groups with accessible information that make difficult decisions on pharmacy coverage. Amy Burns said HERC is a 13-member, governor-appointed committee made up of health professionals and consumers, overseeing various committees. Their mandate is to research literature, clinical practice guidelines, and standard of care for health conditions for Oregonians, providing a guidance document called the Prioritized List of Health Services, partly based on cost. That list governs what is covered and not covered for Oregon Medicaid, which serves 1.5 million people in Oregon. Originally, it was meant to be a guide for all Oregonians, she said. **John Murray** said he is curious how to dovetail that into the board's work and wonders how the board best finds affordable medications, making suggestions to achieve those therapeutic ends with the medications available. He said new diabetes medications are $400 per month but are far better than some older ones. How does the board dovetail that into affordability for those medications and access for people who need it most? **Amy Burns** said HERC looks at the system as a whole, not primarily at medications. She agrees about diabetes medications and said new diabetes drugs can be as much as $1,200 per month, expensive but with significant outcomes. If the board wanted to hear specifically about Medicaid, that would be the State Pharmacy and Therapeutics Committee, which takes cost into consideration, but with privileged information. Ralph Magrish agreed the rebate information is not publicly available. He said about one in four Oregonians receive that coverage and it is important for the board to hear solutions for all.

Vice Chair Shelley Bailey agrees with John Murray about hearing from the Secretary of State's office once their CCO PBM performance audit is complete.

Robert Judge recommends hearing from Myers and Stauffer about acquisition-based cost pricing for prescription drugs.

Ralph Magrish thanked the board for their recommendations and said staff will schedule presentations throughout the year.

2023 roadmap: Cortnee Whitlock, policy analyst, reviewed the roadmap for board work in 2023 shown on Pages 58-61 of the agenda packet: https://dfr.oregon.gov/pdab/Documents/20221214-PDAB-document-package.pdf. Beginning in January, the board's primary focus will be around rule development and affordability review criteria. They will hold rulemaking advisory committees to engage stakeholders and the public. During rulemaking hearings, no more than two board members can attend due to Oregon public meeting laws. Staff will provide an update about the hearings at board meetings. On June 1, the generic drug report is due to the Legislature. The report will be similar to this year's report with updates or additional information. Rules must be completed by July 1. Beginning in August, the board will look at implementation of fee structures and the affordability criteria for the nine drugs and insulin product. In September, the board will also begin studies for Section 5 criteria around price trends and affordability and recommendations. Staff will use the same process as this year, providing outlines and requesting draft sections from board members. Amy Burns asked if the generic report would include biosimilars. Ralph Magrish said it could be part of the conversation next year to include biosimilars in the drug list. Robert Judge agreed biosimilars need to be part of the conversation, especially with the most expensive drug having a biosimilar coming to market next year. Cortnee Whitlock said the annual report will be due by Dec. 31, 2023.

Public comment: The chair allocated three minutes for public comment. He called on the person who signed up in advance to speak, Tonia Sorrell-Neal, Pharmaceutical Care Management Association, who provided testimony to the board.

Adjournment: The meeting was adjourned at 10:47 a.m. **Richard Bruno** made the motion, and **John Murray** provided the second.

MOTION by Richard Bruno to adjourn the meeting.
Board Voice Vote
Yea: Richard Bruno, Daniel Hartung, Robert Judge, John Murray, Shelley Bailey, Akil Patterson.
Nay: None.
Motion passed.