



Oregon Prescription Drug
Affordability Board

NEWS AND UPDATES

Prescription Drug Affordability Board completes first year with success

By Akil Patterson, Chair, and Ralph Magrish, Executive Director

As we take pause this time of year to celebrate the holidays and get ready for the new year, we also take this opportunity to recognize the accomplishments of the PDAB in its first year of existence. We pause and realize the enormity of the work we have been tasked with and its importance for Oregonians, and share our gratitude for board members and staff who have coalesced and come together to make the PDAB happen.

We remember all the way back to early June when members were appointed by the governor and confirmed by the Senate. We remember the early conversations about developing agendas and workplans. We remember a group of strangers to one another coming together for the first time because they all believed in what we were trying to do. We think back to October when we completed our board roster with members from the eastern and southern parts of our great state to ensure that all communities have a voice and representation on the PDAB. Through meaningful discussions about difficult issues to hosting a gamut of presentations to inform board activities, the collective “we” have built something impactful and sustainable.



Board Mission:

Protect

Oregon residents,
state and local
governments,
commercial health plans,
health care providers,
pharmacies licensed in
Oregon, and others within
the health care system
from the high cost of
prescription drugs.

As the chair and executive director, we want to both thank and congratulate the collective “we,” everyone who has helped to support the board, contribute to its work, and those who have tuned in to watch our meetings, for your interest and commitment to this work.

Beginning in 2023, the board will establish affordability review criteria through the public rulemaking process. Once rules are established, PDAB will compile a list of nine prescription drugs and one insulin product for affordability reviews, giving special consideration to health inequities in under-resourced communities.

As we prepare for our work ahead in conducting affordability reviews, we will not lose sight of our view that drug affordability *is* a health equity issue. We will begin our work on affordability reviews to identify whether the cost of a drug has led to health inequities in communities of color, estimated costs, copays, rebates, and other factors including the relative financial impact to health, medical, or social services, as they can be quantified and compared to other existing therapeutic alternatives. Together we have and will continue to make a difference.

We wish everyone a happy holiday season and a healthy new year!

Board inaugural report examines Rx trends

The board and staff produced a three-part report for the Oregon Legislature, as required by Senate Bill 844, the board's founding legislation. Here is a summary.

Prescription Drug Distribution and Payment System: In this report, the Prescription Drug Affordability Board considers the complexity of how drugs move from the factory to the patient and how that process impacts the cost of prescription medications. This report also looks at choosing name brands over generics, the ineffectiveness of manufacturer coupons, solutions in other states and countries, reverse auctions, consolidated purchasing, and how the decline of independent pharmacies impacts health inequities in diverse communities.

Prescription Generic Drugs: The report considers how patents, shortages, contracts, and biosimilars impact the availability and cost of generic drugs. As generic drugs play a crucial role in providing patients with safe, effective therapies at a low cost, the report reviews the degree to which generic drug prices affect insurance premiums, health insurance cost sharing, and annual spending for the Oregon Health Plan.

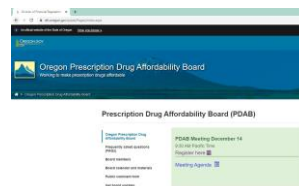
Price Trends and Recommendations: The board provides five primary recommendations for making prescription drugs more affordable for Oregonians.


- 1. Implement upper payment limits**, proposed by the Oregon Legislature in the original language of Senate Bill 844 (2021).
- 2. Transparency in supply chain rebates**, requiring PBMs and group purchasing organizations to report aggregated rebates and other payments from manufacturers to the Drug Price Transparency program at the Oregon Department of Consumer and Business Services (DCBS).
- 3. Expand reporting requirements for patient assistance programs**, requiring all manufacturers to report on all patient assistance programs they maintain or fund.
- 4. Expand reporting to more insurers for the DPT program**, to all state regulated health insurance carriers in Oregon.
- 5. Require patient advocacy organizations to disclose funding sources publicly**, understanding these financial ties and potential influences will provide a transparent background for PDAB decisions.





Download the full report here:
<https://dfr.oregon.gov/pdab/Documents/reports/PDAB-Report-2022.pdf>


Where to find it on the PDAB website



 **Minutes:** Click on [board calendar and materials](#). We post minutes after board approval.

 **Public Participation:** On the [public comment form](#) page, find instructions for giving comments during a meeting or submitting written comments. Remember to fill out the online form for verbal or written comments and attach written comments at the bottom of the form.

 **Public Comments:** New in January, public comments will be posted online here: [board calendar and materials](#).

 **Sign up for meetings:** To attend the Jan. 18 meeting, [register here](#). To sign up for all the meetings in 2023, click on *Register here* for each date on the [board calendar and materials](#) page.



Rx Classroom

Board members heard four presentations in 2022 to increase their understanding of pharmaceutical trends. Here is a summary.

Medicaid Pharmacy Fundamentals: Primer on Bulk Purchasing. Dr. Trevor Douglass, Oregon Health Authority, provided an overview of ArrayRx, a bulk purchasing program with Oregon, Washington, and Nevada, serving more than 500,000 members, including public employees, commercial employers, and managed Medicaid. Oregon also participates in the Minnesota Multistate Contracting Alliance on Pharmacy, serving 13,000 members across all 50 states. Oregon members include the Oregon Immunization Program, the Oregon State Hospital, and Multnomah County. Oregon has seen \$142 million in savings in pharmacy benefits through bulk purchasing efforts since 2016. *View the presentation* (Pages 8-33): <https://dfr.oregon.gov/pdab/Documents/20220921-PDAB-document-package.pdf>

Upper Payment Limit: Andrew York, executive director of the Maryland Prescription Drug Affordability Board, discussed their strategy to develop an upper payment limit action plan and a transparency program similar to Oregon's Drug Price Transparency program. Lila Cummings, director of the Colorado Prescription Drug Affordability Board, discussed steps to establishing an upper payment limit –rulemaking process, affordability review criteria and methodology, research methods, and stakeholder input. *View the presentation* (Pages 14-55): <https://dfr.oregon.gov/pdab/Documents/20221019-PDAB-document-package.pdf>

Pharmacy Benefit Manager Overview: Numi Rehfield Griffith and Cassie Soucy, senior policy advisors for the Division of Financial Regulation, discussed the pharmaceutical supply chain and regulatory scheme for pharmacy benefit managers (PBMs) in Oregon. Pharmacy benefit managers are intermediaries between health insurers, pharmacies, wholesalers, and manufacturers. Services include claims processing, formulary and benefit design, pharmacy network contracting, and rebate negotiation with manufacturers. Fifty-five companies are registered in Oregon, with three companies making up 80 percent of the market. *View the presentation* (Pages 56-71): <https://dfr.oregon.gov/pdab/Documents/20221019-PDAB-document-package.pdf>

Overpatented, Overpriced. Curbing Patent Abuse: Tackling the Root of the Drug Pricing Crisis: Tahir Amin is co-founder/co-executive director of Initiative for Medicines, Access & Knowledge (I-MAK), a nonprofit organization addressing structural inequities in how medicines are developed and distributed. Companies take out a patent during a drug's research phase. Once the drug gets to market, the company has 10-12 years of exclusivity, a limited monopoly in the marketplace when no one else can sell without consent. Most people think of 20-year patent terms, and once the patent ends, generic drugs, or biosimilar competition, will enter the market. His organization has found that pharmaceutical companies use the patent system to prolong that limited monopoly, holding on to exclusivity for longer, charging higher prices, and keeping competition at bay, which leads to higher drug pricing. *View the presentation* (Pages 8-23): <https://dfr.oregon.gov/pdab/Documents/20221116-PDAB-document-package.pdf>



Cape Lookout Trail, Tillamook, Oregon

Looking ahead in 2023: The first board meeting of the New Year will be held on January 18, from 9:30 to 11:30 am. Board meetings are held virtually using Zoomgov. Register for meetings and receive a link to join. People are welcome to register now for all 12 meetings scheduled in 2023. Sign up online to receive board updates: dfr.oregon.gov/pdab/

Prescription Drug Affordability Board Members



Akil Patterson, JD, MLS, PCM, Board Chair, was involved in advocacy for creating PDABs in Oregon as a member of the Oregon Coalition for Affordable Prescriptions (OCAP) and in Maryland, where he previously resided. Mr. Patterson serves as the City of Portland's Social Equity and Educational Development Coordinator for the Cannabis Program. Mr. Patterson was awarded a Presidential Service Award in 2016 by President Barrack Obama for being a champion of social justice and racial equity issues.



Shelley Bailey, Board Vice Chair, served as CEO and co-owner of Central Drugs Pharmacy, the largest contractor for the state's AIDS Drug Assistance Program (ADAP), serving Oregonians living with HIV and Hepatitis C. Shelley is currently CEO of Famlee, the nation's first and only 50-state virtual fertility care and treatment option (combining at-home labs with fertility telehealth and Rx delivery). Shelley served on the Oregon 2012 Pharmacy Benefit Manager Legislative Committee (HB 4122).



Richard Bruno, MD, MPH, is a double-boarded family and preventive medicine physician practicing as the senior medical director at Central City Concern, a federally qualified health center in Portland with an integrated 340B pharmacy. His main clinical focuses are on houselessness, HIV, gender-affirming care, obesity, and opioids, with involvement in community public health interventions and policies, including cooking classes for kids/seniors and legislation to expand access to medication for opioid use disorder.



Dan Hartung, PharmD, MPH, is a tenured professor of pharmacy practice in the College of Pharmacy at Oregon State University. For 20 years, he has conducted pharmaceutical health services research with an emphasis on substance use disorders and prescription drug policy. Dr. Hartung's work has been supported by CDC, AHRQ, and NIH (NIDA). He has published more than 100 papers in peer-reviewed medical literature. His research involves an emphasis on medications for multiple sclerosis (MS).



Amy Burns, PharmD, is the vice president of benefit management and pharmacy services at AllCare Health, a coordinated care organization (CCO) and Medicare Advantage plan serving Southern Oregon. Amy received a doctor of pharmacy degree from the College of Pharmacy at Oregon State University in 2011 and holds a board certification in pharmacology. Dr. Burns has spent her career as a pharmacist looking for ways to control rising prescription costs on a limited budget.



Robert Judge is the director of pharmacy services at Moda. In this role, Robert is responsible for managing Moda Health's pharmacy account services and data analytics teams for the company's fully insured ASO and MCO clients. Robert also manages pharmacy programs, services and analytics for Moda Health's government clients and individuals enrolled in ArrayRx, a collaboration between Oregon, Washington, and Nevada to provide pharmacy solutions.



Rebecca Spain, MD, MSPH, is an associate professor in the Department of Neurology at Oregon Health & Science University (OHSU), associate director of Clinical Care for the Multiple Sclerosis (MS) VA Center of Excellence West, and MS Regional Director for the VA Portland Health Care System. She is a neurologist specializing in multiple sclerosis, and sees first-hand the devastating effects of high cost prescription drugs on patients and their families.



John Murray, RPh, is a licensed pharmacist and co-owner of Murray's Drug. Murray's Drug started in 1959 and operates three rural pharmacies in Heppner, Condon, and Boardman. John has been a Morrow County Health District board member for 19 years, serving as board chair for the past eight years. Murray's Drug in Heppner has provided contracted pharmacy services to Pioneer Memorial Hospital for 40 years and is the contracted pharmacy for the district's 340B program.

2023 Calendar

Prescription Drug Affordability Board

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.