

#### **STATE OF MAINE**

Maine Prescription Drug Affordability Board 11 State House Station Augusta, ME 04333 Kelsie Snow, PharmD Chair

#### Maine Prescription Drug Affordability Board Monday May 20<sup>th</sup>, 2024 @ 10:30 am Microsoft TEAMS Meeting

In Person Location: Burton M. Cross Building, Augusta, Maine - Room 400, 4th Floor, ME

<u>Board Members in Attendance</u>: Peter Hayes, Dr. Noah Nesin, Jennifer Reck, Dr. Julia Redding, Dr. Kelsie Snow, Sharon Treat, and Dr. Susan Wehry. (Total = 7)

Board Members Absent: Rhonda Selvin.

Vacant Seat(s): 0

Others Present:

<u>Advisory Council:</u> Kristy Gould, Jennifer Kent, Anne-Marie Toderico, Jonathan French. <u>Employee Health & Wellness</u>: Devon French, Roberta DuPont, Emma-Lee St. Germain.

All Others: Meg Garratt-Reed, Brenna Moreno, Cody Austin, Bill Eicholzer, Eric Sherr, Madison Zeltwang, Mary Kate Barnett, Tim McSherry, Whitney Ederer, Zach

Friend, Caitlin Beresin.

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Agenda Item:	Discussion:	Action/Next Steps:
I. Call to Order	<b>Dr. Kelsie Snow</b> called the meeting to order	
II. Introductions	<b>Kelsie Snow, Meg Garratt-Reed</b> , and members of the Board expressed their thanks to Dr. Nesin for his service as Chair and Devon and the Office of Employee Health and Wellness for providing administrative support to the Board.	
III. Approval of the Minutes (March 25 <sup>th</sup> , 2024)	There were no amendments to the minutes discussed.	Peter Hayes made a motion to approve the meeting minutes for January 29, 2024.  Dr. Sharon Treat seconded the motion.  The motion passed unanimously.
IV. Administrative Update	Meg Garratt-Reed shared an update on the Office of Affordable Health Care's assumption of administration of the Board:  • Meetings will move to 109 Capitol Street  • Board members will be receiving updated calendar invitations from Meg with new virtual meeting information.  • For members of the public, information about future meetings will be added to the OAHC website: maine.gov/OAHC  Given technical issues at the start of the meeting, Kelsie Snow reiterated	



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	appreciation to Devon French and the Office of Employee Health and Wellness for their support of the Board.	
V. Legislative Update	Meg Garratt-Reed: LD 1829 was not moved off the appropriations during the legislative session. Checking with the Board about whether members would like to continue pursuing legislation to change the charge. The upcoming session will be a regular session, so there may be an opportunity with a legislator to develop a bill specific to that purpose, rather than needing to amend an existing bill.	<ul> <li>It was agreed that the Board would like to move forward with developing a bill for the upcoming session.</li> <li>Meg Garratt-Reed agreed to provide an update on the status of work in other states as well as an overview of timing at the July 22<sup>nd</sup> meeting.</li> </ul>
	• Sharon Treat: Want to share more detail and color on what happened with the bill. Would very much like to continue the effort. The Board made the decision to amend a bill focused on reference-based pricing. Worked with the sponsor Cameron Reny, and the bill did pass the House and Senate, but it was one of 50 bills that were not funded at the end of session. Helpful to remember that it received substantial support, and the end result was related to broader issues at play in the legislature. Not too soon to begin thinking about next year, and it will be a benefit to be able to draft a custom bill and to do so when a new budget is being developed. The effort to create the amendment	
	Meg Garratt-Reed: agree that it's an important point how the procedural and budgetary factors at play impacted the bill.	
	<ul> <li>Dr. Kelsie Snow: other points of conversation or question?</li> <li>Dr. Noah Nesin: Agree with Sharon, if we can identify a sponsor and be thoughtful about what we want the bill to be in collaboration with Meg and her office, we will benefit from increased focus and make sure we are doing important work.</li> </ul>	
	Jonathan French: Concern with the amended bill was that there was nothing holding PBMs responsible. They could have a drug on the formulary and the Board could establish an upper payment limit, but plans would be held responsible if the limit was	



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breached, rather than the PBM or manufacturer. Plans shouldn't be penalized because a PBM or supplier won't comply with the law.

- Jennifer Reck: Echo Sharon's recap on the legislative process, feel there was good momentum, and echo what Noah said about trying again in 2025. Good opportunity to start with a clean slate, fresh bill, and willing sponsor. Worth taking time to come up with some good language.
- **Peter Hayes:** There's a perfect storm of timing. Across the country, many states are looking at more regulation in health care, from a hospital price point of view and prescription drug point of view. Eight or nine states exploring growth caps on medical spending. Think there's public sentiment in support of this. Responding to Jonathan's point, many health plans also own PBMs. Worth looking through the scope of both. Pharma will say that they're being hammered on 340B drugs, and that savings aren't being passed on to consumers. Think there's work we can do through legislation. There's almost a "too big to fail" mentality: plans and PBMs have become so large that market forces can't control prices, regulation is needed.
- **Jonathan French**: To clarify, point was for the public payers. Concerned that the approach would make it difficult for the public plans to provide needed drugs to members. Believe the original bill would have penalized the purchaser if they exceeded the payment limit. Just want to be thoughtful about that.
- **Kelsie Snow:** Seems like there is agreement on moving forward with a bill in the next session, I think that sounds great.
- Meg Garratt-Reed: Is there a next step for this process? Would the group like to revisit the language, or keep what was previously drafted and focus on the strategy? Anything that would be helpful for the next meeting?



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	<ul> <li>Sharon Treat: I think we may want to do different language, not sure between now and July is the best time to work through that. One part of the amendment was to find out what's going on in other states so maybe we could get an update on initiatives and status around the country.</li> <li>Meg Garratt-Reed: OAHC can provide an update as well as a reminder about the categories of policies in the amendment draft at the next meeting.</li> <li>Sharon Treat: The workgroup model also worked well in drafting the amendment, perhaps that should be restarted when it's time to consider bill drafting.</li> <li>Kelsie Snow: Agreed, sounds great.</li> </ul>	
VI. Revisiting PDAB Charge	• Meg Garratt-Reed: In response to questions in prior meetings about the workplan for the remainder of the year, wanted to propose some next steps for the Board's consideration. This is just a draft to provide something to react to, not necessarily a recommendation to a Board. The plan was based on review of prior minutes and materials. When the Board was first established public payers did come in to brief the Board, but those presentations varied in their degree of detail and specificity. In its first full year, the Board did include some recommended "short term strategies" in its annual report including "waste-free" formularies, transparent PBM contract terms, and exploring a reverse auction model for PBM procurement. There did seem to be feedback in meeting minutes from some payers about their ability to implement these strategies, for example limitations on customization of formularies under their TPA/PBM contracts. The 2022 Annual Report also discussed methodological considerations for establishing a spending target and described a few policy models for legislative consideration: international reference pricing, Medicare reference pricing, and 340B transparency. Any questions or would members characterize that summary	<ul> <li>Meg Garratt-Reed/Kelsie Snow will collaborate to re-share the mission and vision statements previously adopted by the Board.</li> <li>Meg Garratt-Reed agreed to provide links to the prior presentations from public payers to the Board, and to work on updating the 10 year rolling CPI calculation with more timely data.</li> <li>Meg Garratt-Reed/Kelsie Snow will work together on edits to the questions to public payers and re-share them with the group.</li> </ul>



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differently?

- Meg Garratt-Reed: Thinking about moving forward, a challenge for me is understanding the structure and scope of the different public payers. Also interested to learn more about the data they have on their own spending and the strategies they are already discussing and implementing with their vendors. Also propose returning to the discussion of the spending target to address the areas for refinement that the Board had outlined in its 2022 annual report.
- **Peter Hayes:** I thought we had agreed on the methodology of using the rolling CPI for spending target. And the legislation is prescriptive about that.
- Meg Garratt-Reed: To clarify, my understanding is the rolling average of medical component of CPI is supposed to be used as the basis of the spending target, but not necessarily the target itself. The Board's annual report referenced "confounding factors" to be addressed to establish the spending target, including that CPI is effectively a measure of price growth, but not necessarily useful on its own to dictate what prices should be. There were other factors that haven't yet been addressed, including whether the spending target should be applied on an aggregate or per capita basis.
- **Jennifer Reck:** Aligning with you, Meg, that there were further decisions for the Board to make and information to consider that the Board hadn't yet had an opportunity to look at. Also noting that the Board had come up with a mission and vision statement in earlier meetings, and it would be worth re-sharing that for the group to re-visit. Thinking particularly of the tension that Rx pricing work often runs into between a payer/purchaser focus and a patient/consumer focus. Might want to refresh those statements. Also a reminder that PORTAL provided a memo on the spending targets that we can work from.



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- **Meg Garratt-Reed/Kelsie Snow:** Agreed to discuss offline and re-up the mission and vision statements.
- **Sharon Treat:** As a newer member of the Board, I'm not totally clear how the spending target is intended to work in terms of changing the trajectory of the cost of medicines. Is it just put out there in hope that it does something?
- Meg Garratt-Reed: Always hard to speak to legislative intent. It
  is correct that there is no requirement that public payers meet the
  spending targets or adopt recommended strategies. May be that
  the Board provides some visibility and transparency and an
  opportunity to engage in conversation but it does not have
  authority over public payers.
- **Sharon Treat:** I'd hate to see the Board spend time on something that members don't think will have an impact in the end. Would be better to spend time on things that help us move to the next stage, rather than spinning our wheels. Suggest spending time on things within the current mission that can help advance next steps. Would like to see the Board have more authority, and in the meantime don't want to waste time doing things that don't move policy.
- Meg Garratt-Reed: Part of my rationale for proposing more engagement with payers as a next step was in recognition of the lack of authority. Might be best to collaborate and learn from them about whether there are areas they would like more ability to innovate or pursue new strategies.
- Noah Nesin: Agree with Sharon that we're currently constrained by the current legislation. Agree with pursuing Meg's proposed work for this year, but a big part of the work should be framing legislation that allows the Board to have a more meaningful impact.



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- **Kelsie Snow**: Agree with that as well.
- **Peter Hayes**: Agree with Noah and some of the others. Let's not allow the perfect to be the enemy of the good. Rather than spend a year perfecting that methodology, would like us to assume we'll have a broader charge, and explore what we could do with greater authority within that legislative charge.
- Meg Garratt-Reed: I think I'm hearing two slightly different things from the group. Peter has expressed not wanting to revisit the spending target, but the Board's charge is to recommend strategies to meet the spending target. The group's level of confidence in the spending target as an appropriate goal is key to that. If there isn't interest in further iterating on the spending target and those recommendations, I don't want to waste peoples' time either. As a staff member I do feel like I have a responsibility to focus on fulfilling statutory obligations, but I defer the decision to the Board.
- Peter Hayes: Suggesting that the charge of developing how to measure growth has been done, don't think we need to spend time and resources confirming we measured it how we should measure it. Would like to move on to other things in our mandate. We have public payers on the call and would like to ask them if it is worth revisiting an update from last time they spoke. Suggest a workgroup to brainstorm ideas of what the Board can do next.
- Kelsie Snow: As a newer member of the Board, my
  understanding is that the spending target is not "one and done"
  but should be revisited annually. Also as a pharmacist, I see how
  the introduction of new drugs influences spending. So seems like
  we should be continuing to work on that alongside considering
  legislative changes.
- Peter Hayes: Yes, it should be updated annually. The data from



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the 2022 number is probably 2-3 years old now. Once we have that rolling average we may want to spend time thinking about modifications. New weight loss drugs on the market are a good example.

- **Sharon Treat:** That new information and trying to draw some conclusions from the data may be helpful in making recommendations about the future of the Board. I think Meg's discussion of some back-and-forth with the public payers is right, and could lead to recommendations to the legislature that they could pass. Could be an important bridge to broader work. Trends that we may see in public payer data will likely show up in the broader market.
- **Jennifer Reck:** I support the Board's focus being moving on to a broader mandate. Don't think there needs to be an either/or decision. Agree with Sharon's comments. There previously had been a workgroup working on the spending target, maybe that could be re-established. Think it would be worth discussing engagement with the public payers, with an eye to the broader charge.
- **Susan Wehry:** Concur with Jennifer's comments. Want to be on the record with a both/and approach.
- **Noah Nesin:** Also in favor of a both/and approach.
- Meg Garratt-Reed: Reviewed slide with draft questions for public payers. Reiterated desire to understand contracting limitations, data on prior spending, and any suggested policy changes.
- Jennifer Reck: In the spirit of not wanting to recover ground already covered, think the first four bullets may have been covered in presentations when the PDAB was established. Would prefer to be more policy focused, as the final three bullets are.



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Perhaps could start with a single question on any new developments we should be aware of? Also think there is some overlap between initial recommended policies for public payers, and some of the areas of engagement in the amended bill, so there's a nice opportunity for engagement with payers on those ideas.

- **Sharon Treat:** Agree that it would be useful to have payer feedback on some of the policy ideas that were included in the proposed amendment, and what the pros and cons are. It would be worth gathering more feedback on policy ideas so that could be incorporated in planning.
- Peter Hayes: We should ask the public payers their thoughts but want to be sensitive to their workload. We should check for their thoughts, maybe after this meeting.
- **Susan Wehry:** I like breaking up the questions as Jennifer suggested. I think it would be good to have updated spending data. To the extent we have information in the prior presentations that may exist in power points and other documents. Could we ask for those to be collected and shared?
- Meg Garratt-Reed: The presentations are all archived with prior meeting materials. I did review those presentations in developing the questions. I can either summarize or re-share the presentations with members. Perhaps if there's a workgroup they can review.
- **Kelsie Snow:** Circling back to the idea of workgroups. We may have a few different workgroups. Polled the members on who would like to participate in a legislative workgroup: Sharon Treat, Kelsie Snow, Peter Hayes, Susan Wehry, Jennifer Reck.
- **Jennifer Reck:** Could use clarification on the work groups. I am particularly interested in parsing out the language of a bill, but is



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VII. Open Discussion	<ul> <li>this group also working on engagement with the public payers and/or updating spending target.</li> <li>Meg Garratt-Reed: I can work on an update to the 10 year rolling average of the medical CPI to share with the group, rather than a spending target workgroup. Will work with Kelsie Snow, and check in with Jennifer Reck for assistance from PORTAL if needed.</li> <li>Sharon Treat: Is there a workgroup on the questions for the public payers?</li> <li>Kelsie Snow: I was thinking that would be the same workgroup.</li> <li>Meg Garratt-Reed: I will send the prior information from the public payers and work with Kelsie to update the questions, and we can share via email.</li> <li>Jennifer Reck: Quick legislative update from other states. Vermont House/Senate passed a PDAB study bill. Somewhat similar to what we had proposed to do this year. The Green Mountain Care Board will be looking at policies and frameworks to address prescription drug costs. Not yet enacted, but likely to be.</li> <li>Sharon Treat: Do you know the timeline for their study?</li> <li>Jennifer Reck: Initial "preliminary plan" due January 15th and finalized plan for implementing a program due January 2026. About \$500,000 in appropriation for that work.</li> <li>Sharon Treat: Would be helpful to have an update on where</li> </ul>	Jennifer Reck agreed to provide an update on implementation activities in other states at the next meeting.
	<ul> <li>Sharon Treat: Would be helpful to have an update on where other states are at the next meeting.</li> </ul>	
VIII. Adjourn		Sharon Treat made a motion to adjourn; Jennifer Reck seconded the motion. The motion passed. Meeting adjourned.



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Next meeting: July 22<sup>nd</sup>, 2024