Maine Prescription Drug Affordability Board
Monday November 25th, 2024 @ 10:30 am
Microsoft TEAMS Meeting
In Person Location: 109 Capitol St, Augusta Maine, 04330

Board Members in Attendance: Kelsie Snow, Jennifer Reck, Sharon Treat, Dr. Noah Nesin, Peter Hayes, Dr. Susan Wehry, Rhonda Selvin, Julia Redding
(Total = 8)

Board Members Absent:
Vacant Seat(s): 0

Others Present: Bob Carey, Stacy Bergendahl
Advisory Council: Anne-Marie Toderico, Jennifer Kent, Christina Moylan, Johnathan French, Jenny Boyden, Kristy Gould
OAHC: Meg Garratt-Reed, Katie Senechal, Ceilidh Shea
All Others: Courtney Williams, Joseph Oros, Mary Kate Barnauskas, Marisa Rodriguez, John Behn, Charles Luce, Paula Witt, Kristine Ossenfort, Kelly Memphis, Daniel Vigil, Rachel Cottle Latham, Maria Lesny, Bren Moreno, Avni Doshi, Cole Wyrough, Kevin Bourque, Zach Lynkiewicz, Cameron Behn, Olivia Backhaus, Mark Gallagher, Shuri Senbanjo, Timothy McSherry, Colleen McCarthy Reid, Keisha Vaughn.

Agenda Item:	Discussion:	Action/Next Steps:
I. Call to Order	**Kelsie Snow** called the meeting to order	
II. Introductions	Board and Advisory Council members were introduced, along with guests joining from the Bureau of Insurance.	
III. Approval of the Minutes (July 22nd, 2024)	There were no changes to the minutes discussed.	Kelsie Snow made a motion to approve, Jennifer Reck seconded the motion. The minutes were unanimously approved.
IV. Administrative Update	**1. Discussion with the Bureau of Insurance** Meg Garratt-Reed provided background on the board's interest in the Bureau's prescription drug affordability work. Superintendent Carey offered his professional background and an overview of the landscape in Maine: growing population, older population, per	

	capita income is the lowest in New England. Premiums in the state are unaffordable both for families and businesses. Plans under the Bureau's purview are quite limited and include the commercial market, small business, and benefits covered and complaints for large groups plans. Costs and drivers of rates under the Bureau's authority are made transparent during rate review. Drug costs this year were the main driver for rate increases. Most commercial insurance does not cover GLP-1s for weightless, which is a major issue. Nationally, 24% of the premium dollar is spent on prescription drugs in 2023. Biosimilars are a key focus area. The Bureau is developing a report on formulary placement of biosimilars. Superintendent Carey encouraged the group to look more closely at biosimilars and their placement on formularies. The Superintendent also commented that retail pharmacy spend has been essentially flat for the past six years whereas mail order spending has jumped 34%. Chains are closing underperforming stores, usually in more rural areas of the state. However, there is often no mail delivery in rural areas of the state, leaving many without feasible alternatives. Pharmacists also play a crucial role in access for rural patients. When locations close, that knowledge is lost. Superintendent Carey mentioned that making legislators aware of what is going on could be an important role for this board. Meg Garratt-Reed asked whether there will be a formal report on biosimilar formulary placement. Superintendent Carey responded that yes, there will be a formal report, hopefully released by January. Sharon Treat asked that if the Superintendent could imagine the board with expanded authority, what might he advise as potential areas of focus including PBMs, transparency, and biosimilars?	

	Superintendent Carey responded that the biosimilar formulary placement issue is one where the board could potentially contribute. Sharon Treat asked whether the Bureau has the authority to scrutinize biosimilar formulary placement or whether there are powers the Bureau should have to approach some of these issues? Superintendent Carey responded that for the fully insured commercial market, the Bureau has the authority to ensure that the formulary and drugs are sufficient to treat a wide range of conditions. He also mentioned that the Bureau does not technically have the authority to dictate where biosimilars are placed on formularies but they do have a bully pulpit and the ability to communicate with legislators about these issues, including transparency. The Superintendent provided Humira as an example. The Superintendent offered that the board might review the State of Maine plan, offer best practices and examples from other states. He also noted it the board could provide more public information about what's going on, which could then help the legislature. Particularly in digestible terms explaining what they can and cannot do. For example, importing drugs from Canada is a non-starter whereas formulary structure is a much better place to start. Kelsie Snow asked whether patients should have a choice on which biosimilar product they get. Superintendent Carey responded no but the patient should have a choice to opt for a lower cost biosimilar and we should be careful about continuing to place high-cost branding drugs on a preferred tier in essence largely due to rebates. He mentioned that the other issue to consider is that some biosimilars are manufactured by manufacturers that have that are owned in part by the health insurance company.	

	Kelsie Snow responded that the rebates and some of the pricing structures aren't necessarily transparent. Superintendent Carey responded that the responsibility lies with the plan sponsor, not the pharmacist to ensure patients have access to affordable biosimilars. Kelsie Snow responded that although biosimilars should theoretically be cheaper, the proprietary information where the cheapest option isn't actually the cheapest because of rebates causes confusion and does not know how we would figure that out. Superintendent Carey responded that you have to demand it of your plan sponsor when you purchase insurance, especially larger employers who hire independent consults to think through these issues. Rhonda Selvin thanked the Superintendent for reminding the board of the difference between access and use when it comes to prescription drugs, particularly in rural areas. She commented that the other part of the solution is all of our prescribers as well as our patients receiving education. Susan Wehry asked for clarification around the Superintendents use of generics versus biosimilars as interchangeable. She also asked for clarification on the Superintendent's comments regarding importing drugs from Canada as a non-starter? Particularly given other states do so. Superintendent Carey responded that yes, biosimilars and generics are different, although the Bureau was asked to look at both of their placements on formularies. In regard to Canada, it's not a long term or even sort of mid term solution to the cost issue. Florida has tried to work something out where they might get millions of pills sent from Canada, but manufacturers simply would close off the spigot to Canada to a point where it started to affect their bottom line. He also shared that he is not aware of Medicare	

	plans that import from Canada but would be open to learning more about that as an option. Jennifer Reck commented that Florida is the only state that has been approved as a state to import drugs, but they haven't yet been able to source the drugs from manufacturers or wholesalers in Canada. She also asked for the Superintendent's perspective on attention she sees popping up with prescription drug affordability boards. Particularly, the tension between wanting to make sure consumers feel the impact of these policies, but then facing the potential that consumers get hit on the back end with premium increases. Superintendent Carey responded that the PDAB has a tough challenge because it's down to what's most affordable for the consumer, but some strategies are promoted by the drug industry for a reason, so the board has to be careful. Jennifer Reck asked is the Superintendent has any thoughts about the 340B program, the growth of the 340B program, and how that's impacting the prescription drug market? Superintendent Carey noted that savings from 340B are often not passed along to consumers, which is concerning. Not an expert but concerned that it is being used to fatten the bottom line for the health systems. Jennifer Reck asked what his thoughts as a Superintendent of Insurance are on the feasibility of the strategies, such as Upper Payment Limits in Colorado, and how plans might do that? Superintendent Carey responded that states need to work together because there will likely not be anything beneficial to consumers coming out of D.C. on this issue. He would be very interested in conversation about how states can work together on these issues. Most of health is local, anyway. But drugs are a different story so state collaboration is key.	

	Sharon Treat asked whether the Bureau can actually see what carriers are spending in their rate filings? Superintendent Carey responded that the Bureau does see what carriers are spending. That's why, for example, the Bureau approved only an 8% rate increase for Anthem, as opposed to the 14% they proposed. Sharon Treat asked, to clarify, your message for the board coming out of rate reviews is to look at formularies, where things are placed on formularies, and PBMs? Other states have PBM regulatory laws, Maine used to but doesn't anymore, although maybe that could also be a focus of the board? Superintendent Carey responded that yes, PBMs are certainty right for state action. Sharon Treat responded that right now the PDAB has very limited authority while there is some authority for the Bureau in this space. Superintendent Carey responded that the Bureau has enough authority, but this a matter of capacity and bandwidth. It is certainly on his radar and an area he'd like to dedicate time to. Sharon Treat asked authority to do what? Superintendent Carey responded, to require PBMs submit more detailed information to justify their costs. For example, whether they are utilizing spread pricing and what are they reimbursing pharmacies? The Bureau also received a report on rebates recently. Kelsie Snow commented that she has seen a vicious snowball effect, particularly for GLP-1s and reimbursement rates so would greatly appreciate more work on this issue.	• **The Bureau will share both the PBM and biosimilar reports with the board when published.**

	2. Meg Garratt-Reed provided a brief update on comments from the OAHC public hearing that mentioned prescription drugs. **3. Review of draft legislation.** Johnathan French noticed a typo in section 10.G. It should read Maine Service Employees Association. Charles Luce shared concerns about the limitations of proposing a formulary for the state of Maine plan because they have a fairly sophisticated analysis that has been conducted, leading up to the switch to CapitalRx. One of the reasons they made that change was because of their reputation as an extremely transparent PBM. A lot of work has gone into structuring the formulary as is and want to ensure that stays intact. He also noted the Superintendent's comments about the state of Maine's health plans with regards to formulary. Meg Garratt-Reed suggested the state employee health plan come in and discuss the decision to switch to CapitalRx and some of the benefits and the structure, especially as a new contract and how it differs from what but one might typically imagine as a payer PBM relationship. Sharon Treat noted that the legislative language does not mandate any alignments, just exploration of strategies. She shared that the board is not going to come in and tear up formularies without knowing any of it. Jennifer Reck mentioned the formularies only come up in section 3, spending targets. It states that the board shall assess strategies. By then the board will have the benefit of this new survey and further communication with the state plan to make any recommendations. Susan Wehry noted that in section 3, under the affordability framework, there are competing interests. She proposes an	• **Meg Garratt-Reed will update language to reflect this change, replacing Maine State Employees Association with Maine Services Employee Association in section 10) G.**

	amendment under the affordability framework, that lists consumers before all others. Jennifer Reck responded saying that would be okay although she don't think they are necessarily that different or competing. Sharon Treat responded that she liked the idea and partly it's a selling point in terms of drafting legislation to communicate a message that is more easily understood by the public, at any rate, than the other goals, so it is beneficial strategically as well. Jennifer Kent commented saying she agrees with Johnathan as far as keeping these in as strategies because we may have different carriers, we may have different funding arrangements, and we may have different contracting terms. There is a need to focus on the net cost and the impact as its related to formulary management. She does appreciate the fact that these are being put forth as strategies because what might be an excellent strategy for one organization may have an unintended consequence on another. Also, in regard to UPLs in other states, are there any concerns about the manufacturers not offering those drugs in those states if it's not going to be financially feasible for them? Kelsie Snow responded that there would be a good analogy with that and the kickback that a lot of the 340B entities are reporting, that the drug manufacturers are trying to petition or get out of having to abide by those regulations. Jennifer Reck shared that it's something that has come up in public hearings and so forth, but it's not something that she has seen. No state has implemented a UPL yet, although Colorado would be the first in the coming year. She thinks with the timeline in this bill, Maine will have the advantage of being able to see how that is playing out in other states.	

	Sharon Treat added that states that are engaging in this work are doing drug by drug analysis and putting that information out. So, there will be a record of these things. Sharon Treat wanted to share the 2024 New Hampshire PDAB report and commented it would be nice if the board were able to develop a similar report. It's also a good model to look at what a similar state can do with the authority they have. Jennifer Reck noted the report is a primer on all state and federal prescription drug activity. Sharon Treat responded that there is a need to educate, so it might be worth thinking about having the PDAB present to relevant committees. Kelsie Snow agreed. **4. Scheduling** Meg Garratt-Reed proposed moving the May meeting to the 19th, instead of the 26th which would be Memorial Day. Kelsie Snow mentioned that for 2025 meetings it would be helpful to try to get somebody in to discuss the purpose of 340B and if there are some options there for the board. Meg Garratt-Reed shared that she has been considering inviting Karynlee Harrington from MHDO back. In regard to 340B, it might be beneficial to have multiple perspectives, such as inviting both Northern Light and NASHP. Jennifer Reck suggested someone from the University of Minnestoa, who also serves on the PDAB and might be a good guest speaker. Noah Nesin commented that for agencies like FQHCs a lot of the challenges are that the 340B application to Medicaid can be	• **Meg Garratt-Reed will share the 2024 NH PDAB report.**

	mutually exclusive. In Portland, OR they were able to come to an agreement around 340B with FQHCs so a speaker on how Medicaid and 340B programs for safety net organizations can collaborate to mutual benefit would be helpful.	• **Jennifer Reck will share contact information for Dr. Nikpay with Meg Garratt-Reed.**
VII. Open Discussion		
VIII. Adjourn	Sharon Treat requested a motion to adjourn and Jennifer Reck seconded. The meeting was adjourned.	

Next meeting: January 27, 2025