

MAY 20, 2024

# MAINE PRESCRIPTION DRUG AFFORDABILITY BOARD

## SPENDING TARGET PRIOR WORK

- 2020-2021 – presentations by several public payers with varying levels of specificity about prescription drug spending and operations.
- 2021 Annual Report recommended three “short term” strategies for public payers:
  - Create “waste free” formularies,
  - Utilize transparent pass-through PBM contract terms,
  - Explore implementing a “reverse auction” PBM procurement model.
- 2022 Annual Report discussed methodological considerations for setting a spending target, and briefly described three areas for legislative consideration: international reference pricing, Medicare reference pricing, and 340B transparency.

## RECOMMENDED NEXT STEPS

- Gather focused and standardized input from public payers – see draft questions on next slide.
  - Request responses by mid-July for discussion at July 22<sup>nd</sup> meeting.
- Revisit spending target methodology during September meeting, hopefully informed by payer input.

# DRAFT QUESTIONS FOR PUBLIC PAYERS

- Please share a brief summary of the health insurance benefits your organization administers. Who is eligible? Roughly how many members do you cover? Is there anything about the covered population's health needs the PDAB should know?
- What vendors are involved in administering your prescription drug benefit(s)? How are those vendors procured?
- Is your organization involved in designing the plan's formulary, or are formulary decisions made by a vendor?
- Can you share information on historical spending on prescription drugs for the last five years?
  - In looking at historical spending, are there any drivers you have identified in your data (e.g. utilization changes, introduction of new drugs to market)?
- Is your organization utilizing any strategies to contain prescription drug costs?
- In prior years, the PDAB has recommended several strategies with the potential to lower drug costs (see the 2021 and 2022 PDAB annual reports). Do you have any feedback you would like to share about those recommendations?
- Is there any new authority or flexibility that you believe would be helpful to you in containing prescription drug costs for your plan?