

Office of Affordable Health Care
2023 Public Hearing Comment Solicitation – **Advocacy/ Professional Associations and Others**

Written comments are due by midnight on Friday, October 6th, 2023.

Comments may be emailed to meg.garratt-reed@maine.gov, and should be attached as a word document or PDF. Please note that comments are not confidential and will be posted publicly.

Submitter Information

Organization: Pharmaceutical Care Management Association (PCMA)

Individual submitter's name: Sam Hallemeier

Title: Director – State Affairs

Thank you for the opportunity to respond to your inquiry regarding cost-related barriers that consumers in Maine face when attempting to access health care. Like you, we are concerned with the high and rising costs of health care in the United States and along with our members are seeking and developing solutions to address this challenge.

The Pharmaceutical Care Management Association (PCMA) is the national association representing America's pharmacy benefit companies, which administer prescription drug plans and operate home delivery and specialty pharmacies for more than 275 million Americans with health coverage through Medicare, Medicaid, public and private employers, labor unions, retiree plans, the Federal Employees Health Benefits (FEHB) program, and exchange plans.

PCMA's diverse membership of pharmacy benefit companies work closely with health plans and health insurance issuers to secure lower costs for prescription drugs and achieve better health outcomes. These savings allow employers, government programs, and labor unions to keep offering quality drug benefits to their employees, beneficiaries, and retirees across America – ensuring that premiums are affordable, and patients have choices and access to pharmacies where they can get the drugs they need at a price they can afford. When PBMs are not used, it costs plan sponsors and patients money. For example, the Office of the Inspector General recently released a report noting that the Department of Labor overspent \$321.3 million in a six-year span (2015-2020) on prescription drugs for its Federal Employees' Compensation Program (FECA) because the Office of Workers' Compensation Programs (OWCP) did not use a PBM.ⁱ

There is no requirement that any entity use a PBM to administer their prescription drug plan, yet health plan sponsors, including employers, voluntarily hire PCMA's member organizations to secure savings and provide choice and specialized expertise on pharmacy benefit design, coverage, and delivery.

In the sections below, we will share information about the tools pharmacy benefit companies use to combat high list prices set by drug manufacturers, the power of appropriate transparency tools, and the need to evaluate everyone in the entire supply chain during this critical time when our country is facing inflationary concerns.

1. Please identify and briefly describe the top (2-3) cost-related barriers consumers in Maine face when attempting to access necessary health care.

Prescription drug affordability and access to care.

Drug manufacturers continue to set higher and higher list prices for prescription drugs. We support all reductions in list price for prescription drugs. In a 2021 study by ICER, they found that net drug prices on certain drugs increased from 4.5% to 12% over the year, resulting in \$54M to \$174M of added drug spending for each drug.ⁱⁱ

Real-Time Benefit Tools

Electronic pharmacy benefit tools like Real Time Benefit Tools (RTBT), electronic prior authorization (ePA), and electronic prescribing (eRx) reduce administrative burden and speed access to care, enabling clinicians to allocate more time to direct patient care.

Examine the entire supply chain.

Any attempt at understanding the factors driving drug costs must include an examination of the entire supply chain, including drug companies, wholesale distributors, and large pharmacy collectives known as pharmacy services administrative organizations (PSAOs) that have an impact on the cost of prescription drugs to consumers.

2. Of the barriers described in question one, are there characteristics specific to Maine (geographically, economically, demographically) that contribute to the significance of the issue here?**Prescription drug affordability and access to care.**

Pharmacy Benefit Managers cover 955,000 Mainers and expect to save \$4.4B across all Maine insurance markets over the next 10 years. High drug costs are preventing many Mainers from affording or accessing prescription drugs. The continued rise in drug costs are being passed to the consumer and the employer at the register or through higher insurance premiums. Consumers without insurance suffer more impacts with higher drug prices.

Maine has passed laws that prevent PBMs from using proven tools that lower drug costs or keep premiums down. For instance, MRS Title 24-A, §4349 states payments made by a 3rd party shall count towards a patient's cost-sharing obligation. This law allows drug manufacturers to continue to profit from high list prices by only focusing on the patient's cost share at the register. The health plan and employer are still required to pay for the entire cost of that drug, which leads to higher premiums for a Mainer.

Real-Time Benefit Tools

MRS Title 24-A, §4304 currently requires that "a carrier shall make available to a provider in real-time at the point of prescribing an electronic benefit tool that is capable of integrating with the provider's electronic prescribing system or electronic medical record system to provide complete, accurate, timely, clinically appropriate formulary and benefit information specific to an enrollee." However, current laws do not require a provider to use these tools or electronically prescribe all drugs.

Examine the entire supply chain.

Maine currently has 57 independent pharmacies. In a 2019 self-reported survey by pharmacies, about 83% of independent pharmacies reported using a PSAO to negotiate PBM contract terms, handle claims disputes, and audit concernsⁱⁱⁱ. PSAOs are integrated into the financial well-being of independent pharmacies, and they should be examined more closely in Maine. With such a role, PSAOs should also be required to obtain a license to practice in Maine.

3. With as much specificity as possible, please identify and describe the top state health policy changes your organization would recommend reduce or eliminate these barriers.

Prescription drug affordability and access to care.

We applaud recent list price reductions for insulin products and call for more drug companies to lower list prices across other therapeutic areas as well. The list prices set by drug companies are the root cause of affordability challenges and must be addressed directly. More work needs to be done, and here are some further considerations.

1. Promote Generic and Biosimilar Competition
 - a. As evidenced by the impact of generic drugs, the most effective way to reduce prescription drug costs is to increase competition in the marketplace. Similarly, when more biosimilars enter the market, increasing their uptake will help boost competition and lower patient costs. Preserving MRS Title 32, §13781 is critical to helping ensure there is competition in the marketplace.
2. Protect PBM tools such as prior authorization and step therapy.
 - a. Prior authorization is often required for drugs with a high risk of abuse or overuse, significant side effects, or off-label uses not approved by the FDA. Step therapy ensures that prescribers consider the medically appropriate available therapeutic alternatives before settling on a course of therapy for a specific patient. Maine should not consider anything further on prior authorization or step therapy than what is contained in MRS Title 24-A, §4320-N so PBMs can contain cost.
3. Encourage the use of lower-cost care options when providing access to care.
 - a. Allowing pharmacists to “practice at the top of their license” gives patients in Maine one more option when looking for access to healthcare. Pharmacists are one of the most accessible healthcare professionals, so equipping them with the ability to care for or treat a patient is necessary for all Mainers.

Real-Time Benefit Tools

Patient eligibility, benefit verification, and claim submissions have been streamlined as healthcare providers and pharmacies fully integrated pharmacy benefit companies’ “real-time” tools. Pharmacy benefit companies conduct 94% of eligibility and benefit verifications electronically, in real time. Eligibility is verified during the adjudication process for pharmacy claims,^{iv} and pharmacy benefit companies lead the way in adjudicating claims at the point of service,^v with nearly 100% of pharmacy benefit companies (99%) and health plans (96%) processing claims fully electronically. Full adoption of eRx, ePA, and RTBT offers similar promise.

To incentivize prescribers to use eRx, ePA, and RTBT, which support increased medication adherence and reduce medication abandonment, PCMA recommends enticing prescribers to use eRx , ePA, and RTBT to advance interoperability.

Examine the entire supply chain.

Pharmacy services administrative organizations (PSAOs) are owned by many large wholesale distributors. They are collective negotiation organizations that negotiate network and reimbursement contracts with PBMs. Their role is not well known, however, they are responsible for independent pharmacy financials. Due to the significant role that PSAOs play in the supply chain, they should be licensed in the state of Maine.

4. Please share any additional comments.

Federal Solutions that Maine can support

1. Stop Patent Abuse by drug manufacturers waiting on approval by the FDA.
 - a. To increase competition and lower patient and plan sponsor costs, it is imperative for policymakers to end the anticompetitive tactics used by big drug companies.
2. Ensure Drugs Can Compete Fairly
 - a. Big drug companies block competitors from coming to market through various anticompetitive tactics used to undermine the market in their favor.

PCMA looks forward to working with the members of this subcommittee to address high drug prices while protecting the tools that allow PBMs to continue to counteract the power that pharmaceutical manufacturers hold as the sole entities responsible for setting and raising drug prices.

ⁱ OIG. 2023. <https://www.oig.dol.gov/public/reports/oa/2023/03-23-001-04-431.pdf>.

ⁱⁱ ICER Identifies Most Significant 2021 US Drug-Price Hikes Unsupported by New Clinical Evidence, Dec. 6, 2022, indicating “[s]even out of 10 high-expenditure drugs had substantial 2021 net price increases that were not supported by new clinical evidence. <https://icer.org/news-insights/press-releases/icer-identifies-most-significant-2021-us-drug-price-hikes-unsupported-by-new-clinical-evidence/>

ⁱⁱⁱ <https://www.pcmagnet.org/pharmacy-services-administrative-organizations-psaos-and-their-little-known-connections-to-independent-pharmacies/>

^{iv} CAQH. 2020. The 2019 CAQH Pharmacy Services Index.

^v Surescripts. 2021. National Progress Report 2020.