



January 7, 2022

Director Patrick Allen
Oregon Health Authority
Health Policy and Analytics Medicaid Waiver Renewal Team
Attn: Michelle Hatfield
500 Summer St. NE, 5th Floor, E65
Salem, OR 97301

Re: **Oregon's Application for Renewal and Amendment of Oregon Health Plan, Section 1115 Demonstration Waiver**

Dear Director Allen:

On behalf of the 300 members of the Oregon Dermatology Society, we are writing to express our strong opposition to a proposal that would restructure the Oregon Health Plan ("OHP") pharmacy benefit to create a commercial-style closed formulary for adult patients, as outlined in Oregon's 1115 Medicaid Waiver Demonstration renewal. The proposal would authorize the state to exclude drugs that have limited evidence, but still have demonstrated clinical efficacy that can be very beneficial to subgroups of patients. The broad guidelines for such determinations will negatively impact the sickest and most vulnerable patients and will conflict with the overarching goal of the waiver renewal to advance health equity. The creation of a closed formulary will only exacerbate existing health inequities by limiting patient access to medically necessary prescription medications.

Our members are keenly aware of the nation's increased health care costs and their own responsibility to prescribe a treatment plan that wisely manages limited

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health care resources; however, a closed formulary is an ineffective, draconian approach to reducing health care costs by creating a one-size-fits-all solution. If approved, more than 700,000 Oregonians will unnecessarily be at risk, as explained below. Therefore, we urge Oregon policymakers to explore alternative strategies to reduce health care costs. Patients should not be expected to bear this burden.

Dermatologists diagnose and treat more than 3,000 diseases, including skin cancer, psoriasis, immunologic diseases and many genetic disorders. When developing a treatment plan for our patients, dermatologists base their recommendations and decisions on a thorough understanding of their patients' medical history and medical needs. This knowledge enables them to identify potential contraindications and life-threatening adverse reactions, which is particularly critical for patients covered by OHP, many of whom have multiple chronic conditions. Comorbidity often results in adverse health outcomes and complex clinical management. Requiring a patient to take a medication that the physician knows is not in the patient's best interest and in some instances, will jeopardize the patient's health, not only defies logic but violates the Hippocratic oath.

The American Academy of Dermatology's guiding position on access to effective and affordable drugs is set forth in its *Position Statement on Patient Access to Affordable Treatments*¹:

"Physicians should have the entire compendium of pharmaceutical therapies available to them and the freedom to work with their patients to determine the appropriate course of treatment based on each patient's unique circumstances.

"Each formulary must be developed based on scientifically valid evidence that the selected pharmaceuticals sufficiently provide the most effective therapies for any given condition and that options are available should patients not be able to utilize a given agent due to lack of response, side effects, allergy, etc."

¹ <https://server.aad.org/Forms/Policies/Uploads/PS/PS-Patient%20Access%20to%20Affordable%20Treatments.pdf>

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A closed formulary will significantly limit the physicians' ability to treat patients with complicated skin diseases, such as cutaneous autoimmune disorders. Forcing these patients to make consequential, potentially lengthy and disease-altering changes is a great challenge and hardship. Withdrawal of a medication for a patient, particularly abrupt withdrawal, can aggravate a quiescent disease and result in disease that is resistant to prior effective therapy or the development of aggressive disease. The consequences, which cannot be predicted for individual patients, include worsening life-threatening disease, severe flares including those requiring hospitalization, therapeutic failure, antibody development and risk for greater adverse effects than those associated with current therapy. For many patients, the disease burden extends beyond physical findings; there is lost work and wages and a significant psychological impact.

A specific example is pemphigus vulgaris, which is a rare, auto-immune disease that causes blistering of the skin and mucous membranes. Treatment typically involves the prolonged use of steroids and immunosuppressive/immunomodulating agents, many of which do not have specific "approved indications" to treat pemphigus. This condition requires a patient-centric customized approach because if it is left untreated, the complications can be fatal. Each patient who presents with this disease is a unique challenge due to the diversity in the disease. Comorbidities, which include diabetes, hypertension, malignancies, chronic infections, among others, affect the choice of the most appropriate treatment.

Additionally, the waiver request will profoundly impact patients with chronic conditions and who are stable on a drug that is no longer included in the closed formulary. Forcibly switching a patient to another drug poses significant risk to patients, possibly resulting in harmful outcomes like flaring of the disease, immunogenicity, adverse effects, and secondary nonresponse. It may also lead to the loss of effectiveness of the original medication, should the patient switch back in the future.

As physicians, our number one priority is the health and welfare of our patients. We appreciate the opportunity to provide written comments on this important issue. Retaining physicians' medical judgement in patients' treatment plans is a cost-effective way to prevent health care dollars from being used on medications that are not effective. We respectfully urge you to carefully consider the ramifications of moving to a closed formulary and reject such provisions of the waiver renewal. Please contact Patrick Sieng, Executive Director for the Oregon

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Dermatology Society at patrick@oregondermatology.org or (503) 799-8280 if you require clarification on any of the points above or would like further information.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Bar". The signature is fluid and cursive, with a long horizontal stroke at the end.

Anna Bar, MD, FAAD, FACMS

President

Oregon Dermatology Society