

Prescription Drug Cost Updates

Presenters: Jesse Ellis O'Brien
Ralph Magrish
Division of Financial Regulation



Department of Consumer
and Business Services

DCBS drug pricing programs

- Drug Price Transparency Act (2018 HB 4005)
- 60-day notice of price increases (2019 HB 2658)
- Prescription Drug Affordability Board (2021 SB 844)

Drug Price Transparency Program overview (1/2)

The program is directed by statute to receive:

New drug reports: More than \$670



Annual price increase reports: \$100 or more and 10 percent net yearly increase

60-day price increase notice: 10 percent or \$10,000 increase for brand, 25 percent and \$300 increase for generic



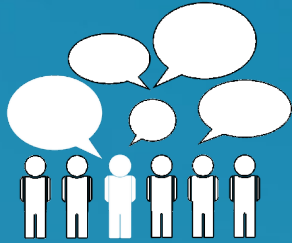
Insurers report: Top 25 most costly and most prescribed drugs, and the impact of drug costs on premium rates



Consumers report: Personal price increase in Rx they have purchased

Drug Price Transparency Program overview (2/2)

The program is directed to :



Host public hearings on drug prices

In 2019, the hearing was held in Salem and broadcast in Astoria, Medford, and Pendleton. The public hearings for 2021 and 2022 were held virtually.



Submit legislative reports

Information collected by the program and recommendations for legislative changes to contain the cost or reduce the effect of prescription drugs prices

2022 preliminary data (1/2)

Annual price increase reports:

Year	Filings	Manufacturers
2019	551	39
2020	199	48
2021	142	29
2022	112	22

2022 preliminary data (2/2)

New specialty drug reports:

Year	Filings	Manufacturers
2019	272	57
2020	355	97
2021	351	116
2022 (to date)	278	61

Prescription Drug Affordability Board Implementation Update



Department of Consumer
and Business Services

PDAB overview

Purpose:

- Created under SB 844 (2021) to protect Oregonians, state and local governments, commercial health plans, health care providers, pharmacies, and others within the health care system from the high costs of prescription drugs

Composition:

- Five members and three alternates appointed by the governor and confirmed by the senate
- Required background in clinical medicine or healthcare economics

PDAB functions

- Drug Affordability Reviews – Identify nine drugs and at least one insulin product that may create affordability challenges for health care systems or high out-of-pocket costs for patients based on criteria adopted by the board
- Studying the entire prescription drug distribution and payment system in Oregon and around the world designed to lower the list price of prescription drugs
- Make recommendations to the legislature for statutory changes

PDAB responsibilities

Rulemaking input

- Affordability review criteria
- Manufacturer fee structure

Annual reporting requirements

- Generic marketplace report to legislature
- Report to legislature and Cost Growth Target Program (OHA) on:
 - Price trends
 - Drug affordability reviews conducted
 - Recommendations for changes to make drugs more affordable

PDAB implementation

- March 1 – PDAB executive director started
- May 11 – Governors office announced nominations
- June 1 – Senate confirmation hearing and new staff starts
- June 23 – Inaugural PDAB meeting
 - Board chair nominations
 - Board legal advice in executive session
 - Approval of draft polices and procedures
 - Workplan preparation
- PDAB to meet at least once every six weeks (schedule forthcoming)

Questions?

Contacts and Resources

- Info on Oregon's Drug Price Transparency Program:

Visit: <https://dfr.oregon.gov/drugtransparency/>

Email: rx.prices@oregon.gov

Call: 503-947-7200

- Info on Prescription Drug Affordability Board:

Email and website pending

Call 971-374-3724