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June 2022

State Rx Cost Containment: State of Play

What States are Doing

- **Transparency**
 - Rx pricing, health plan Rx costs/spending
- **PBM regulations**
 - Unwind bad business practice
- **Reviewing state agency Rx procurements and PBM contracting** (CA, WI, NM, MD, NJ)
- **Medicaid sole source contracting and pharmacy benefit budget caps** (LA, WA, NY)
- **Reworking Medicaid FFS PBM Contracts and Audits**
- **Maximizing access to 340B pricing**
- **Importation from Canada** (VT, FL, CO, ME, NM)
- **Generic Manufacturing** (CA, WA)
- **Prescription Drug Affordability Boards** (CO, MD, OR)
 - ME, NH, NY have PDABs but these boards are not designed to lower costs statewide
 - PDAB bills introduced and debated in several additional states
 - NJ engaged in active legislative debate June 2022

CO and MD PDABs

- CO has authority to establish Rx payment rates
 - Limit of 12 Rx/year
 - Sunsets in 5 years without reauthorization
 - Board members hospital based medical professionals
- MD has a two-step process
 - Implement Rx savings for state and local govt
 - Seek approval from legislature for statewide policies
 - PDAB *seems to be favoring* upper payment limit recommendations
 - No votes have occurred
 - Board members are academics and medical professionals

State action informs federal policy

- PDABs can complement a Federal Rx Medicare Negotiation law
- States take big policy action before feds
 - PBM gag clauses
 - Children's health insurance
 - Mental health parity
 - Partial community rating of insurance
 - Bundled hospital payments
 - Criminal justice reforms
 - *Rx market transparency reporting (ala Oregon)*