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Information | Insight | Improvement

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DATE: February 11, 2021

TO: Senator Sanborn, Representative Tepler and Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services

CC: Senator Vitelli
Colleen McCarthy Reid, OPLA Analyst
Bethany Beausang, Senior Policy Advisor, Office of Governor Janet T. Mills
Neil Korsen, MD, Chair MHDO Board of Directors
Commissioner Head, Vice Chair MHDO Board of Directors

FROM: Karynlee Harrington, Executive Director, Maine Health Data Organization

RE: LD 41, *Resolve, Regarding Legislative Review of Portions of Chapter 570: Uniform Reporting System for Prescription Drug Price Data Sets, a Major Substantive Rule of the Maine Health Data Organization*

As requested below is follow up to three issues that were raised at the public hearing on LD 41.

1. Drug Product Family

Public Law Chapter 470 seeks to gather data that provides insight into not only those drugs that require notice to MHDO (drug hits one of the three triggers defined in statute) but also those that the MHDO determines *relevant to providing greater consumer awareness of the factors contributing to the cost of prescription drugs in the State*, including *trends in the cost of prescription drugs* and *analysis of* [both] *manufacturer prices and price increases*.

As proposed, Chapter 570 defines a Drug Product Family as "a group of one or more prescription drugs that share a unique generic drug description (non-trade name) and drug form."

Example: One drug family of interest in Maine is **Buprenorphine HCl-Naloxone HCl Dihydrate Film** – brand named Suboxone. There are seven manufacturers that produce eleven distinct strengths and package sizes in the drug family – 54 NDCs in total. The total cost in Maine for this drug family through the first three quarters of 2020 was $34.6M. WAC prices across manufacturers for the most expensive item (Buprenorphine HCl-Naloxone HCl Dihydrate 8-2 MG Film 30 EA) currently range from $190.00 - $269.40. While WAC data is publicly available, MHDO cannot ascertain the net cost and availability for each manufacturer without obtaining pricing component data from each.

MHDO's position is that it is not enough to report that the price of drugs from one manufacturer is impacting the cost of healthcare without also ascertaining whether there are lower cost alternatives available for the same product from alternative manufacturers. Pricing component data (includes revenue, sales volume, and rebates) from all manufacturers with products in a drug family allows the State to review comparative net costs and product availability in seeking lower cost alternatives in a standardized way.

2. Pharmacy Benefits Manager Pricing Component Data Report -Maine vs US

After further consideration, MHDO supports the Pricing Component Data for PBM's to remain at the state level. We would suggest that where we have proposed *in the US* it be revised to *in Maine.*

3. MHDO Notification and Data Submission Timeline

Action	**Current Requirement in Rule for Year One**	**Current Requirement in Rule after Year One**	**Proposed Change**
MHDO Notifies reporting entities the specific NDC's that they must submit Pricing Component Data on	April 10th	February 15th	February 15th-MHDO posts on its website the list of drug products that it will request pricing component data. Adds a provision that MHDO cannot request pricing component data until 30 days after posting.
Pricing Component Data due to MHDO	60 days after MHDO's Notification (as required in statute)	60 days after MHDO's Notification (as required in statute)	60 days after MHDO's Notification (as required in statute)
Due Date	**June 10th**	**April 15th**	**May 15th**

The proposed changes in the deadlines gives the reporting entities an extra 30 days to submit their data to MHDO. It also gives MHDO the time that is needed to validate and analyze the pricing component data submitted for the development of its annual report as required in Title 22, Chapter 1683 §8736.

Thank you for the opportunity to provide this additional information and I look forward to continued discussions.