



Janet T. Mills
Governor

STATE OF MAINE
Maine Prescription Drug Affordability Board
61 State House Station
Augusta, ME 04333-0061

Noah Nesin
Chair

Maine Prescription Drug Affordability Board
Monday March 27, 2023 @ 10:30 am
Microsoft TEAMS Meeting

In Person Location: Burton M. Cross Building, Augusta, Maine - Room 400, 4th Floor, ME

Board Members in Attendance: Peter Hayes, Dr. Noah Nesin, Jennifer Reck, Dr. Julia Redding, Rhonda Selvin, Dr. Susan Wehry
(Total = 4)

Board Members Absent:
Vacant Seat(s): 2

Others Present:

Advisory Council: Jennifer Kent, Christina Moylan, Anne-Marie Toderico, Shonna Poulin-Gutierrez, Kate Ende, Jonathan French, Heather Perreault

Employee Health & Wellness: Devon French, Roberta DuPont, Emma-Lee St. Germain

All Others: Nick Buehler, Ceilidh Shea, Karynlee Harrington, Jim Jones, Drew Gattine, Christine Ossenfort, Megan Garratt-Reed

Agenda Item:	Discussion:	Action/Next Steps:
I. Call to Order (10:36 am)	Dr. Noah Nesin called the meeting to order.	
II. Introductions		
III. Approval of the Minutes (January 17, 2023)		Rhonda Selvin made a motion to accept the meeting minutes; Peter Hayes seconded the motion. Motion passed.
IV. Monthly Business		
a. Program on Regulation, Therapeutics, and Law (PORTAL) Memo on Prescription Drug Spending Targets- Dr. Noah Nesin	Information contained in written reports; highlights and discussion noted below: <ul style="list-style-type: none"> <u>Purpose:</u> The legislatures in Maine and New Hampshire have enacted prescription drug affordability boards (PDABs) with the authority to set targets for prescription drug spending by public payers, such as state employee health plans. We have prepared this memo to guide states in formulating a methodology for setting prescription drug spending targets. 	Dr. Susan Wehry Asks: Is it appropriate to contact legislators to ask them to read the committee's report? Next Step: Dr Noah Nesin will put together a list of legislators with some language for board members to reach out.



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- Background on Healthcare Spending Targets: Health care spending has risen faster than spending in other sectors, which has led to health care accounting for a greater percentage of the United States gross domestic product (GDP).¹ This trend is driven by a combination of increasing use of health care services (e.g., due to an aging population) and higher prices.
- Trends in Prescription Drug Spending in the United States: Per capita prescription drug spending has increased. Over the past 4 decades, annual per capita prescription drug spending has increased from less than \$200 to more than \$1,000.
- Total Nationwide Spending, Per Capita on Prescription Drugs Purchased from Pharmacies: Total spending grew by 4.8% annually over the past 5 years and exceeded \$500 billion annually in 2021.⁶ This includes increases in per capita spending as well as a growing population in the United States. Spending is highly concentrated among brand-name drugs. Among pharmacy-dispensed drugs, generic drugs comprise approximately 90% of total prescriptions (97% when a generic equivalent is available), but brand-name drugs account for 85-90% of spending.
- Challenges for Setting Prescription Drug Spending Targets: Accounting for rebates. Spending obtained from prescription claims do not account for confidential rebates, which have increased in recent years.⁷ Obtaining accurate rebate data from payers and pharmacy benefit managers (PBMs) is important for accurately measuring prescription drug spending.
- Spending Targets in Maine and New Hampshire: The 10-year rolling average for the CPI for Medical Care Services (CPI-M) was 2.8%/year from 2013-2022.¹⁰ The year-over-year change in CPI-M in January 2023 was 3.1%.
- Targets for Specific Prescription Drugs: Spending targets for specific drugs must be considered carefully because payers may



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	<p>achieve spending targets by restricting access to medications, thereby lowering their use. This suggests that Maine and New Hampshire should consider setting spending targets for low-value drugs only, as these would be drugs for which both lower use and prices may be beneficial for patients.</p> <ul style="list-style-type: none"> • <u>Measuring Prescription Drug Spending in Maine and New Hampshire</u>: Before setting spending targets, Maine and New Hampshire must first be able to systematically measure annual per capita prescription drug spending by public payers. • <u>Additional Data to Guide Policy Makers</u>: Setting spending targets is just the first step. Maine and New Hampshire may wish to collect additional data to guide strategies for achieving prescription drug spending targets. 	
<p>b. Update on New Legislation Related to Healthcare Costs – Jennifer Reck</p>	<p>Information contained in written reports; highlights and discussion noted below:</p> <ul style="list-style-type: none"> • <u>Update on New Legislation</u>: Since January, none of the bills discussed have been introduced to the committed yet. The 340B bill will emerge this week and we will soon be able to look at the language on that. There are 3 additional bills that have been introduced, a hearing on a bill, as well as a bill regarding contraceptive access. We are also tracking a dozen prescription drug affordability bills right now. 	
V. Other Business		
<p>a. Maine Health Data Organization- Prescription Drug Pricing Reference Rate Report – Karynlee Harrington & Jim Jones</p>	<p>Discussion highlights below:</p> <ul style="list-style-type: none"> • <u>Maine Health Data Organization</u>: Public Law 2021, Chapter 606 (LD 1636), An Act To Determine Potential Savings in Prescription Drug Costs by Using International Pricing, requires the Maine Health Data Organization (MHDO) to produce an annual report beginning in 2023 that provides information regarding potential 	



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	<p>savings that could be achieved by subjecting drugs identified as the costliest and most frequently prescribed in the State of Maine to a referenced rate as defined in the law.</p> <ul style="list-style-type: none"> • <u>Provisions in Title 22, Ch. 1683 that Govern the Determination of Referenced Rates of Prescription Drugs: §8741, 2. A.</u> Identify the 100 most costly prescription drugs and the 100 most frequently prescribed prescription drugs in the State of Maine, the Manufactures of these drugs and the average wholesale acquisition cost for each drug for the most current 12-month period. • <u>Provisions in Title 22, Ch. 1683 that Govern the Determination of Referenced Rates of Prescription Drugs: §8741 2. B.</u> To the extent possible, determine the referenced rate for each drug identified in paragraph 2.A by comparing the wholesale acquisition cost to the cost in official publications of the governments of the Canadian provinces of Ontario, Quebec, British Columbia, and Alberta. The referenced rate for each prescription drug must be calculated as the lowest cost among the resources described in this paragraph and the wholesale acquisition cost for the most recent 12-month period. • <u>Provisions in Title 22, Ch. 1683 that Govern the Determination of Referenced Rates of Prescription Drugs:</u> For 193 of the 286 NDCs identified (67.5% of the total), there is not a corresponding Drug Identification Number (DIN) on a provincial formulary in Canada. A reference rate as defined above (the lowest cost option when looking at the WAC and the costs in the Canadian provinces) has been determined for 93 of the 286 NDCs identified (32.5% of the total). • <u>Provisions in Title 22, Ch. 1683 that Govern the Determination of Referenced Rates of Prescription Drugs: §8741 2. C.</u> For each drug identified in paragraph A, the organization shall determine the potential savings that could be achieved by subjecting those drugs to the referenced rate as calculated pursuant to paragraph B. The 	
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	<p>savings must be determined based on the payments reported in the organization's claims database for the most current 12- month period.</p> <ul style="list-style-type: none"> • <u>Key Findings Preparing This Report</u>: When comparing NDCs in the US to pharmaceutically equivalent DINs in Canada there are not as many prescription drug products available in Canada. Many drugs currently patented in the US are not under patent in Canada. This allows for generic competition in Canada while brand drugs remain the only products available in the US. • <u>Prescription Drug Costs and Utilization in Maine at Retail and Mail Order Pharmacies</u>: Public Law 2018 Chapter 406 requires the Maine Health Data Organization (MHDO) to produce an annual prescription drug (Rx) report that includes: <ul style="list-style-type: none"> ○ 25 Costliest Drugs (determined by the total amount spent in the State) ○ 25 Most Frequently Prescribed Drugs in the State ○ 25 Drugs with the Highest Year-Over-Year Cost Increases (determined by the total amount spent in the State) • <u>MHDO Drug Price Transparency Report</u>: Public Law 2019, Chapter 470, An Act to Further Expand Drug Price Transparency, requires the Maine Health Data Organization to submit an annual report on prescription drug pricing to the Joint Standing Committee on Health Coverage, Insurance and Financial Services. 	
<p>b. Open Discussion</p>	<p>Discussion highlights below:</p> <ul style="list-style-type: none"> • No items were brought to the board. 	
<p>VI. Adjourn (12:03pm)</p>		<p>Julia Redding made motion to adjourn; Susan Weary, seconded the motion. Motion passed. Meeting adjourned.</p>

Next meeting: May 22, 2023