

PRESCRIPTION DRUG AFFORDABILITY BOARDS

Lawmakers say that making medications more affordable to patients is a top priority. Yet some policy approaches overlook what matters most to patients and providers—and even make it more difficult for patients to access the treatment they need. One such approach is prescription drug affordability boards.

Q: What are prescription drug affordability boards?

These state-level organizations explore ways to lower prescription drug spending. Members include health insurance representatives and health care economists who have been appointed by the governor or other state officials. Decisions made by these boards typically apply to state and Medicaid health plans but can apply to commercial plans as well.

Short-term savings for the health care system aren't always passed on to patients.

Q: How do prescription drug affordability boards approach value discussions?

Given their focus on government spending, prescription drug affordability boards often take an overly narrow view of health care value.

Board members drive discussion focused on cost to the state rather than cost to the patient, meaning patient and provider priorities and input get left out.

Prescription drug affordability boards can also overlook other key drivers of prescription drug costs, including pharmacy benefit managers. These middlemen negotiate for higher and higher rebates from pharmaceutical companies, driving up the list prices of prescription drugs, with the rebates going to the insurance company and not the patient.

Q: How do prescription drug affordability boards determine whether medication is “affordable”?

Prescription drug affordability boards can use a variety of health economic tools, including those that are discriminatory towards the patients they aim to help.

One example is the QALY, or quality-adjusted life year. This metric assesses a medication’s value based on the years of “perfect” health it provides patients. The QALY’s one-size-fits-all approach overlooks individual patients’ needs. It can also diminish the value of treatment for older patients and people with chronic diseases or disabilities, for whom optimal health may never be “perfect.”

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Q: How do prescription drug affordability boards affect patient access?

Prescription drug affordability boards are not designed to save patients money or improve their access to health care.

In fact, they could actually:

- **Increase patients' costs.** Setting upper payment limits could cause formularies to move affected drugs into health plans' non-preferred or brand tiers, resulting in higher out-of-pocket costs for patients. Some plans may choose to drop coverage for the drug entirely.
- **Prevent patients from reaching their deductible.** As more patients require

copay assistance, more health plans may respond by implementing restrictive copay accumulator adjustment programs. These programs prevent copay assistance from counting toward patients' annual health insurance deductibles, making it harder for patients to reach the threshold at which their insurance kicks in at the highest level.

- **Reduce patients' choices.** Health plans may decide to remove themselves from state markets as upper payment limits affect their bottom line. This could leave patients with fewer insurance options and limited coverage.

UNINTENDED CONSEQUENCES OF PRESCRIPTION DRUG AFFORDABILITY BOARDS



Q: How should lawmakers approach discussions about drug affordability?

As states work to make the best use of limited health care dollars, decision-makers should:



Solicit meaningful input from patients and health care providers.

Discussions about medication value, price and access must include the people most directly affected.



Account for individual patient differences. Metrics like the QALY apply a one-size-fits-all approach and discriminate against older patients and people with disabilities. When it comes to medication access and affordability, decisionmakers should factor in patients' experiences, health care providers' expertise and the importance of patient-centered care.



Take a holistic approach. Drug affordability is a multifaceted topic, and the list cost of a medication is just one element. By addressing other issues that drive up health care costs, like pharmacy benefit managers and utilization management, these boards can help lower costs without restricting patient access.

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CONCLUSION

Lowering government prescription drug spending by sacrificing patient access isn't a viable policy solution. It's a short-term fix that leaves patients facing long-term consequences.

As lawmakers across the country explore health care value, they must instead consider the full scope of the issue, account for individual patient differences, and welcome the voices of patients and health care providers—without whom no health policy conversation is complete.



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