Who Decides?

How Prescription Drug Affordability Review Boards Impact Patient Access

Individual states sometimes establish prescription drug affordability review boards to explore ways to lower prescription medication costs for Medicaid patients and reduce the impact on the state health care budget. State legislators pass laws to create prescription drug affordability review boards.

The Health Economists' Perspective

Members are appointed to the board, generally by the state's governor. Members are typically health care and economics experts. While prescription drug affordability boards consider a range of factors, they sometimes overlook the patient perspective or adopt controversial metrics to gauge prescription drug value.

Exploring Cost & Affordability

Some prescription drug affordability boards set spending targets for specific drugs and recommend policies to meet those targets. In other states, the boards actually establish limits on what state programs like Medicaid will pay for certain prescription drugs. Prescription drug affordability review boards consider whether the price of a medication leads to affordability challenges to the system or high out-of-pocket costs to the patient.

A More Inclusive Review Process

Board discussions can, however, be overly narrow in some instances. The important voices of patients and providers, for example, are often excluded from the conversation. The oversight can result in one-size-fits-all decisions that overlook the individualized needs of real patients and undermine access to vital treatment.

As review boards consider questions of treatment and coverage, they should welcome and consider the input of multiple stakeholders. This includes patients – particularly people with chronic or rare illnesses and disabilities.

The Problem of Discriminatory Metrics

In the review process, boards can directly or indirectly incorporate discriminatory value metrics. This is in part because they lean on analyses conducted by a health technology assessment organization called the Institute for Clinical and Economic Review.

One such metric is the Quality Adjusted Life Year, or QALY, which gauges a medication's value based on how close it can get a patient to "perfect health." Though the QALY is commonly used by health economists, the metric is limiting. The metric can actually devalue patients, especially older Americans and people with chronic conditions. When drug utilization review boards consult health technology assessment reports based upon the metric, the coverage decisions that result can harm certain patient groups.

Review boards need to limit the use of certain metrics and work to ensure a fair review process.

Keeping the Focus on Patients

No discussion about affordability and value is complete without the perspectives of patients and providers. As states work to lower costs and patients' out of pocket expenses, they should strive for an inclusive process that avoids discriminatory metrics and prioritizes patients' access to treatment.

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