Value-Based Purchasing (Consumer Market) and Other Rx Issues

Overview by Richard Cauchi, Program Director
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NCSL’s 2017-2018 Rx Database

3,400+ bills 200+ new laws annually
January 2018: NCSL is launching an expanded research and publication project, funded with support by the Laura and John Arnold Foundation.

- Reports on 2018-19 state legislation and enacted laws
- Periodic updates on HHS and FDA activities affecting states and consumers
- A “help desk” hot-line for members
- Support for technical assistance to individual states
“Retail prescription drug spending slowed in 2016, increasing 1.3 percent to $328.6 billion.

The slower growth in 2016 follows two years of significant growth in 2014 and 2015, 12.4 percent and 8.9 percent, respectively. This significant growth in 2014 and 2015 was largely attributable to increased spending on new medicines and price growth for existing brand-name drugs, particularly for drugs used to treat hepatitis C.

Growth slowed in 2016 primarily due to fewer new drug approvals, slower growth in brand-name drug spending as spending for hepatitis C drugs declined, and a decline in spending for generic drugs as price growth slowed.”
Health Insurance Covering Pharmaceuticals
ACA Essential health benefits, contracts and beyond

(2013 analysis by Avalere)
2017-18 Additional Pharmaceutical Issues

- Medication Adherence
  - Medication Therapy Management (MTM)
  - Step Therapy or Fail-First
- Price Transparency – require detailed disclosure for highest $ drugs
- Limits on out-of-pocket consumer costs
- Direct state pharmaceutical assistance programs (SPAPs);
- Allow “return and donated reuse” of unneeded pharmaceuticals
- “Reference” pricing based on preferred, proven product
- Academic Detailing – objective facts on generic and brand options
- Drug Importation?
- Preventing Prescription drug abuse and illegal sales
Options for Legislatures – prescription drugs

- Consider what changes will affect
  1) access
  2) affordability
  3) appropriate consumer choice
- Hold a briefing or hearing on Medicaid pharmaceutical policies
- Examine cost containment “innovations” and alternatives
- State definitions for generic substitution and “biosimilar” interchange
- What level of regulation of specialty pharmacy and sterile compounding pharmacies
- Compare your state to your neighbors