Data Mart Use Case

Prescription Drug Affordability Board

November 2022

Description: Perform analyses to support the Prescription Drug Affordability Board (PDAB) in identifying eligible drugs for an affordability review, prioritizing the list of drugs, assisting in the development of upper payment limits (UPLs), assessing the impact of UPLs on providers, pharmacies, and patient access to care, and validate the use of savings are returned to consumers (particularly in out-of-pocket drug costs).

Business Significance and Triple Aim Impact: To fulfill the requirements of SB 21- 175 which seeks to make prescription drugs more affordable in Colorado through creating more transparency, review of high-cost drugs, and the creation of upper payment limits to decrease costs.

Analytic Steps:

Multiple steps may be necessary to fulfill the different requirements from the legislation.

Identify a list of drugs that qualify for an affordability review by the board

- Use a combination of claims and WAC data (the Division will bring into the DataMart from Analysource through our own access) to identify any prescription drug that meets the cost thresholds as outlined in CRS 10-16-1406. This will include reviewing utilization in claims to define a course of treatment and the average cost per year or course of treatment and analyzing average out of pocket costs.
- Assist the board in prioritizing the list with additional detail about populations, utilization, and costs of the identified drugs. This may include using information from the Transparency report provided by CIVHC
- Answer ad-hoc questions for DOI staff and the board in assessing which drugs on the list should undergo an affordability review as well as answering ad-hoc questions during the review

The Board will create a methodology for establishing a UPL, which may require analysis of drug cost and utilization. The establishment of UPLs for specific drugs (not to exceed 12 drugs annually) will likely involve an in-depth analysis of the cost and utilization of the selected drugs including populations who use the drug or who are disproportionately affected by the illness or disease the drug is meant to treat.

Once UPLs are established, analysis will be necessary to determine their impact on providers, pharmacies, and patient access to care as well as to validate carrier reports indicating that cost savings are directed to consumers, especially in out-of-pocket-costs.

Provider details are necessary to understand the price variation across providers, as different negotiated rates will impact the affordability of drugs in the state. This will mainly be for medical claims.

It will be important to understand the plan that every person with the prescription is on to understand and calculate accurate out of pocket costs, coinsurance, and copay amounts for any drug in an affordability review.

PHI Justifications:

- Age at rx fill date and date of service: We need to know the age distribution for each drug to make sure we understand cost differences and outliers
- 5-digit zip: We need to understand regional variation in costs. We are also tasked with understanding how the drugs and any UPLs will impact health equity, zip code could be helpful in understanding regional demographics, disease prevalence amongst different populations, and access to care implications.
- Dates of service: needed to calculate a course of treatment. We need to know how often someone receives a drug, how long between doses, and how these differ amongst different users, clinical implications, and treatments.

August 2023

PHI Justifications –

- Census Tracts: Needed to estimate health equity impacts of specific diseases drugs use to treat or potential disparities in populations that use specific drugs. This will be used to match with outside data that compares census tract level data on a variety of metrics (like Social Vulnerability Index, Area Deprivation Index, etc.). This will create a metric the board can use in selection to help understand populations who use the eligible drugs.