

# Curbing Prescription Drug Costs

## Data to Drive Decisions Webinar



CENTER FOR IMPROVING  
VALUE IN HEALTH CARE



# Agenda

- Prescription Drug Costs in Colorado
- Overview of Prescription Drug Affordability Board
- Review Division of Insurance PDAB dashboard
- Questions & Answers





# Housekeeping

- All participants are muted
- Questions can be submitted through the Q&A feature
- Slides and recording will be posted to:
  - [Civhc.org > About CIVHC > News & Events > Event Resources](#)

# Presenters



Lila Cummings MHS,  
DOI Prescription Drug  
Affordability Director



Kate Davidson, MS,  
DOI Manager of  
Data Science



Cari Frank, MBA  
CIVHC VP of Communication  
and Marketing



## Our Mission

To equip partners and communities in Colorado and across the nation with the resources, services and unbiased data needed to improve health and health care.

## Our Vision

Everyone has the opportunity to be healthy and has access to equitable, affordable, high-quality health care.

## We Are

- Non-profit
- Independent and objective
- Service-oriented



# Who We Serve

## Change Agents

Individuals, communities, or organizations working to lower costs, improve care, and make Colorado healthier.



Clinicians



Hospitals



Government



Consumers



Employers



Researchers



Health Plans



Non-Profits



# How We Serve

- Administrator of the Colorado All Payer Claims Database



## Public CO APCD Data

Identify opportunities for improvement in your community through interactive reports and publications



## Non-Public CO APCD Data

License data from the most comprehensive claims database in CO to address your specific project needs

- Research & Evaluation Services
- Community Engagement
- Program Focus Areas: Advance Care Planning, Palliative Care



# What's in the CO APCD



**Over 1 Billion Claims** (2013-2022)

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**Over 70%** of Covered Lives (medical only, 2021)

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**5.5+ Million Lives\***, Including 1M of self-insured

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**48 Commercial Payers, + Medicaid & Medicare\***

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**Trend information** (2013-Present)

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*\*Reflects 2022 calendar year only*

# What's not in the CO APCD



**Federal Programs** - VA, Tricare, Indian Health Services

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**Uninsured and self-pay claims**

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**Majority of ERISA-based self-insured employers**



A decorative graphic on the left side of the slide consists of a grid of hexagons in various colors (orange, blue, green, grey). Some hexagons contain medical icons: a nurse's head, a heart with an ECG line, and a plus sign.

# Annual Prescription Drug Files

- **Drug Rebate files:**
  - Total prescription drug costs
  - Total rebates
  - Total spending and total rebates by drug category:
    - Generic, Specialty and Brand
- **Prescription Drug Affordability Board files includes the 15 drugs that:**
  - Caused the greatest increases in the payer's premiums
  - The payer paid for most frequently and for which the payer received a rebate from manufacturers
  - The payer received the highest rebates, as determined by percentages of the price of the prescription drug
  - The payer received the largest rebates

# Annual Value Based Pharmaceutical Files

- Value based contract info for both medically administered drugs and drugs dispensed from a pharmacy including:
  - Basic info for drugs under VBP contract (Name, NDC, etc.)
  - Number of people on each drug and number with measured outcomes
  - Total spend for drugs under VBP contract and for drugs with measured outcomes
  - Outcomes being measured:
    - Reduced hospitalization
    - Reduced relapse rate
    - Qualifying event
    - Discontinuation
    - Disease prevalence
    - Other, specified





# Monthly Prescription Drug Claim Submissions

- Drug Name & National Drug Code
  - Fill Date & Days Supply
  - Generic Indicator
  - Brand Indicator
  - Compound Drug Indicator
  - Refill Indicator
- Amount Paid
  - By payer and by patient and in total (allowed amount)
- Pharmacy Info
- Patient Info (residence, age, sex)
- Prescribing Provider Info

# Impact of Prescription Drugs on Health Care Spending

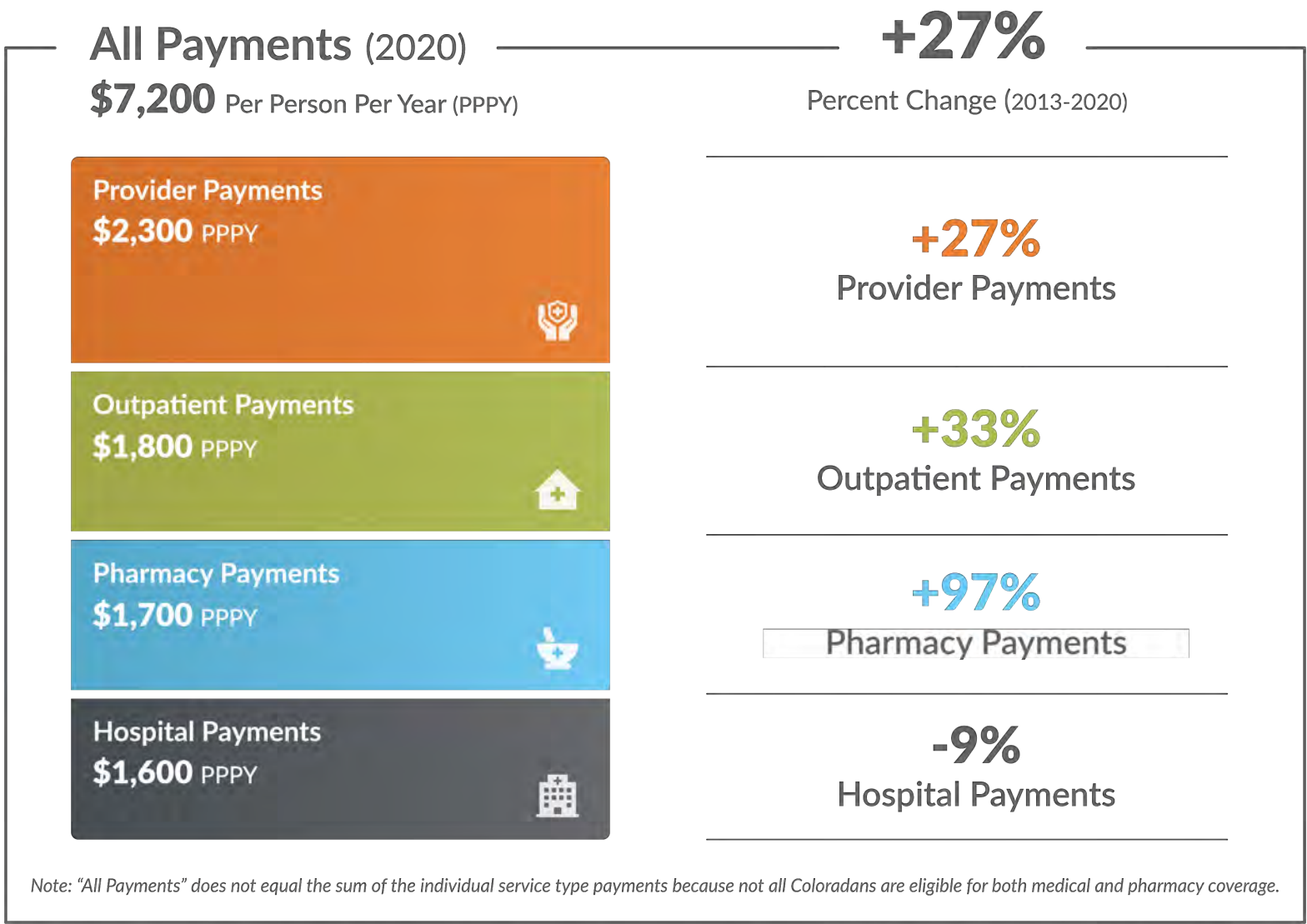
In 2020, **\$5.4 Billion**, or nearly  
**20% of Total Health Care Spending**  
was spent on **Prescription Drugs**.


Cost of Care Report, civhc.org, All Payers.

Does not account for any drug rebates or concessions.



# Prescription Drug Spending Rising the Fastest

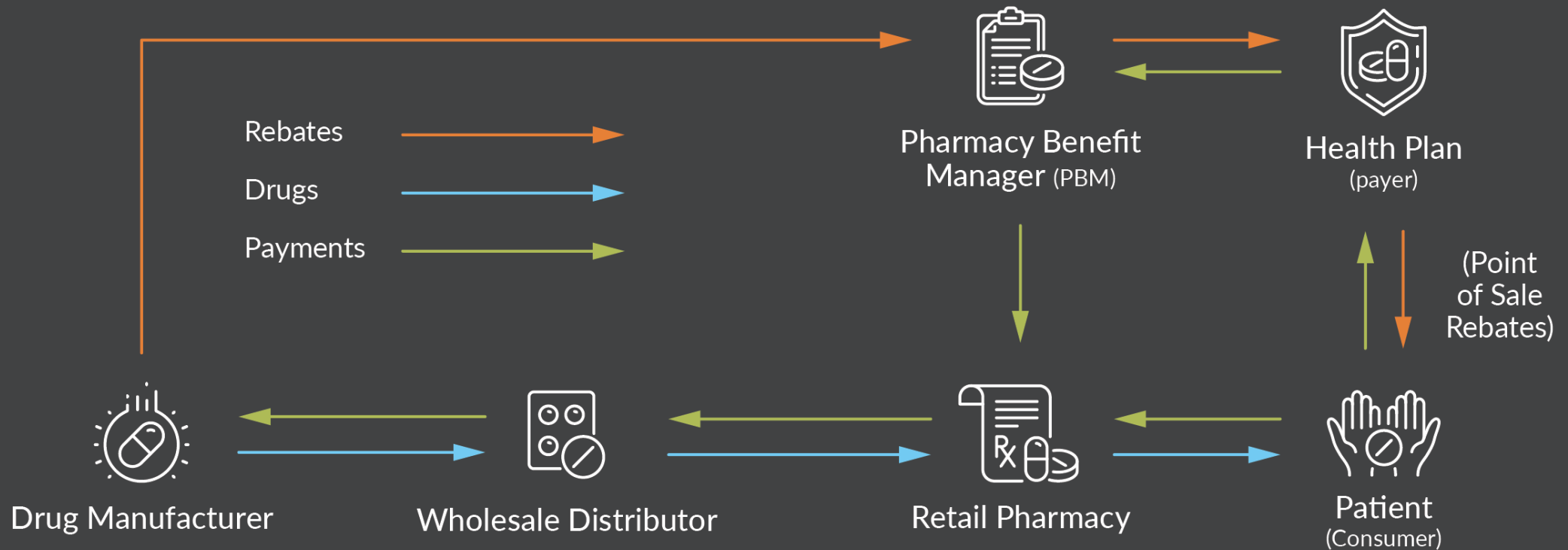


 Data Available in CIVHC's Community Dashboard at [civhc.org](https://civhc.org)



# Drug Rebates

## Prescription Drug Supply Chain and Fund Flow



Rebates → Drugs → Payments →

\*Graphic illustrating the flow of drug payments, including rebates

# Drug Rebates – CO APCD Payer Submissions

“Total rebates, compensation, remuneration, and any other price concessions (including concessions from price protection and hold harmless contract clauses) provided by pharmaceutical manufacturers for prescription drugs, excluding manufacturer-provided fair market value bona fide service fees.”

For the full definition of rebates and compensations, please see CIVHC’s Data Submission Guide at [civhc.org](http://civhc.org).



# CIVHC Public Drug Rebate Analysis

## GLOBAL DASHBOARD FILTERS

Select a **PAYER TYPE**:  Select a **YEAR**:  Select a **DRUG TYPE**:

- All Drugs
- Generic
- Brand
- Specialty
- Brand and Specialty

## PRESCRIPTION DRUG SPENDING SUMMARY

Total Spending & Rebate Comparison (2021)



% Rebate of Total Spending Over Time







## Drug Spending is Increasing Even With Rebates

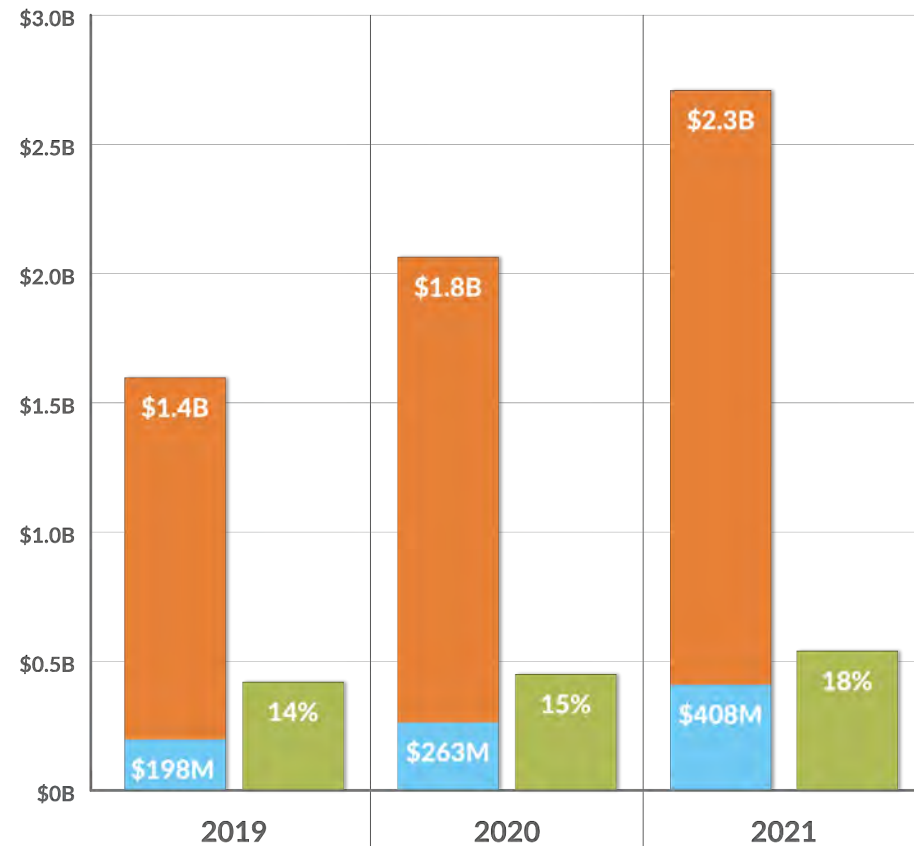
💰 Across all payers, prescription drug spending rose roughly 25% with and without factoring in drug rebates received by payers.



# Percent Rebates of Total Prescription Drug Spending Continues to Rise

Commercial Payers, 2019-2021

■ Total RX Spending ■ Rebate Amount ■ % Rebate of Total Spending



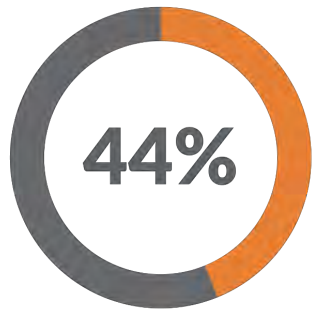
Commercial Payers are Receiving More Rebates



# Specialty Drugs Account for the Majority of Drug Spending

Commercial Payers, 2021

**Specialty drugs** accounted for almost half of total prescription drug spending among commercial payers in 2021, but represented just 1% of total volume.



Total specialty drug **spending**

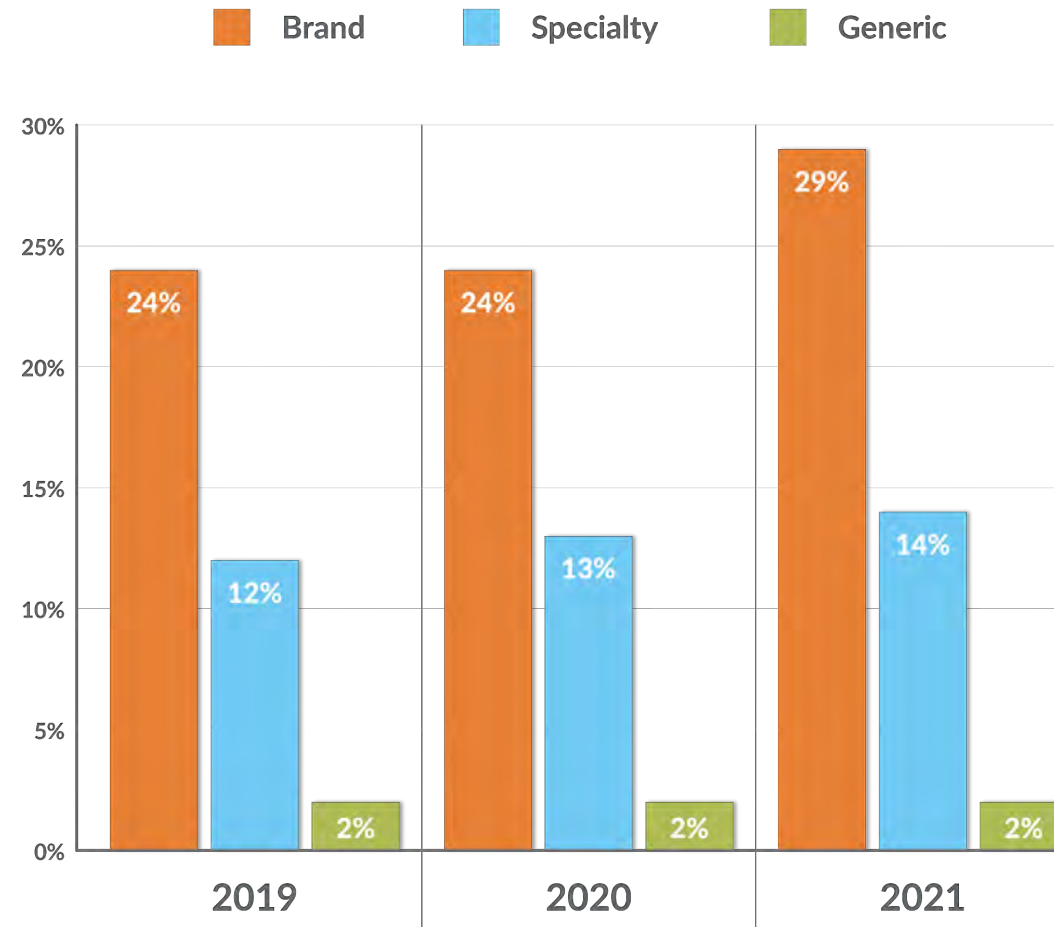


Total specialty drug **volume**



# Percent rebate of **total spending** rising over **time** for specialty and brand drugs.

Commercial Payers, 2019-2021



# Costs for specialty and brand drugs **continue to rise** year over year.

Commercial Payers, 2019-2021



## Specialty Drugs



**84% ↑**

Increase in **specialty drug** rebates



**56% ↑**

Increase in total spending  
for **specialty drugs**



## Brand Drugs



**125% ↑**

Increase in **brand drug** rebates



**90% ↑**

Increase in total spending  
for **brand drugs**

# Drug Rebate Legislation – SB 21-1370

**Beginning Jan. 1, 2024, payers or PBMs must demonstrate to DOI that:**

- 100% of rebates received are used to reduce costs,
- For **small group and large employer plans**, all rebates are used to reduce employer or individual employee costs, and
- For **individual plans**, all rebates are used to reduce premiums and out-of-pocket costs for prescription drugs and that insurers maximize the use of rebates to reduce consumer costs.

**\* ERISA-based self-insured employers may opt-in.**





# PDAB: Data to Drive Decisions



**COLORADO**  
**Prescription Drug  
Affordability Board**  
Division of Insurance

# PDAB Overview

The Prescription Drug Affordability Board (PDAB or Board) was created, along with the Prescription Drug Affordability Advisory Council (PDAAC or Advisory Council), by [Senate Bill 2021-175](#).

## 5 Member Board with rulemaking authority

- Experience and/or expertise in clinical medicine or health care economics
- Meets every 6 weeks

## PDAAC - 15 member advisory committee to provide stakeholder input

- Meets at least quarterly

# PDAB Overview - Responsibilities



Collect and evaluate data on the cost of prescription drugs for Colorado consumers



Perform affordability reviews when a drug meets certain triggers outlined in statute



May set upper payment limit (UPL) on drugs the Board has deemed unaffordable  
*\*Maximum of 12/year for the first 3 years*



Make policy recommendations to the General Assembly

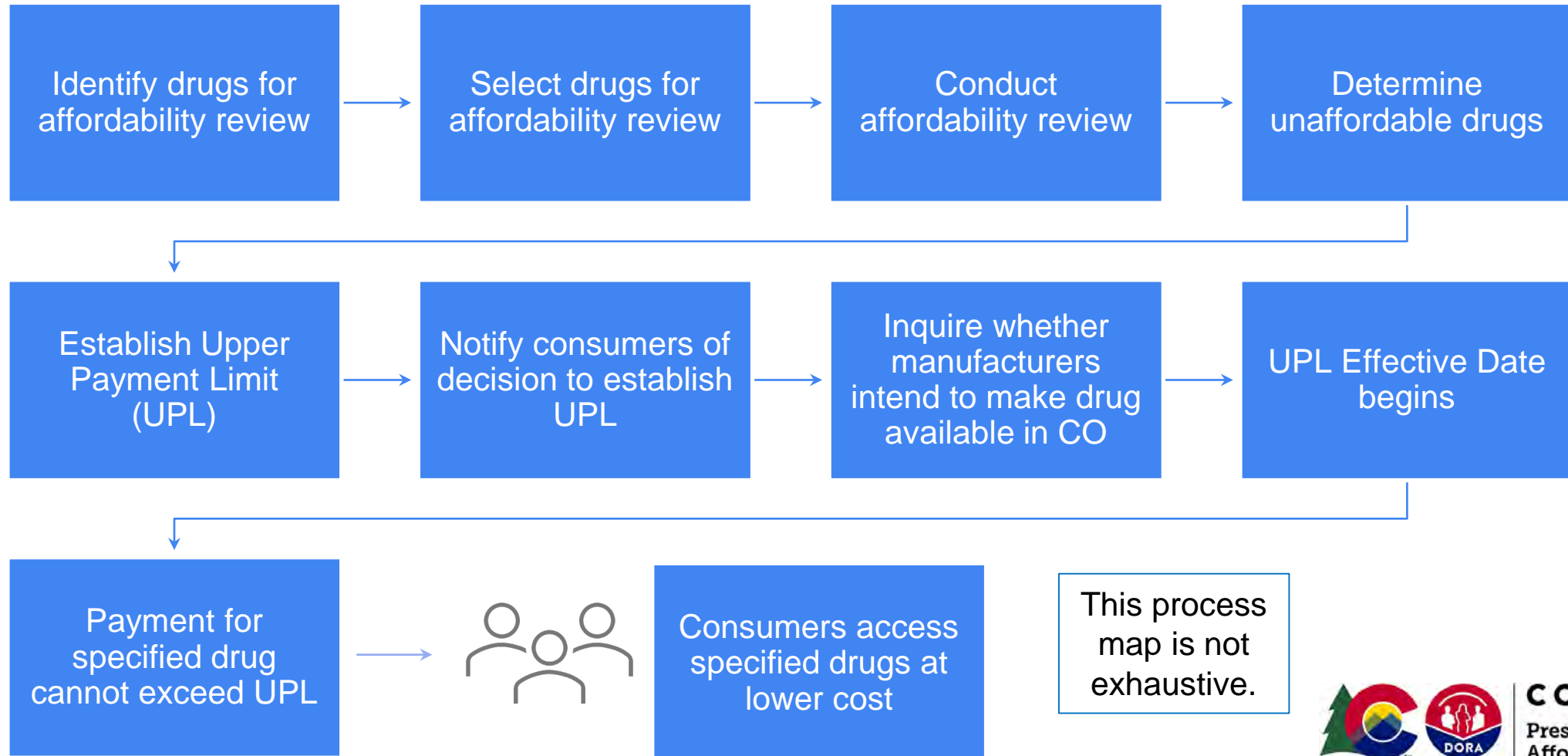


Beginning July 2023, report annually to the Governor and General Assembly about drug prices, Board activity, and impacts on providers and pharmacies





# PDAB Work - Overview



This process map is not exhaustive.



# PDAB APCD data

## Eligibility

- Medical and Rx claims for Course of Treatment
- Based on units used for all drugs in APCD
  - ◆ Identified issues w/ units of one payer. CIVHC and payer working to fix
- Used with other pricing data

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## Selection Criteria

- Metrics based on number of Coloradans using the drug
- Metrics based on total, plan, and patient paid amounts
- SVI in conjunction w/ utilizers counties

## Affordability Review

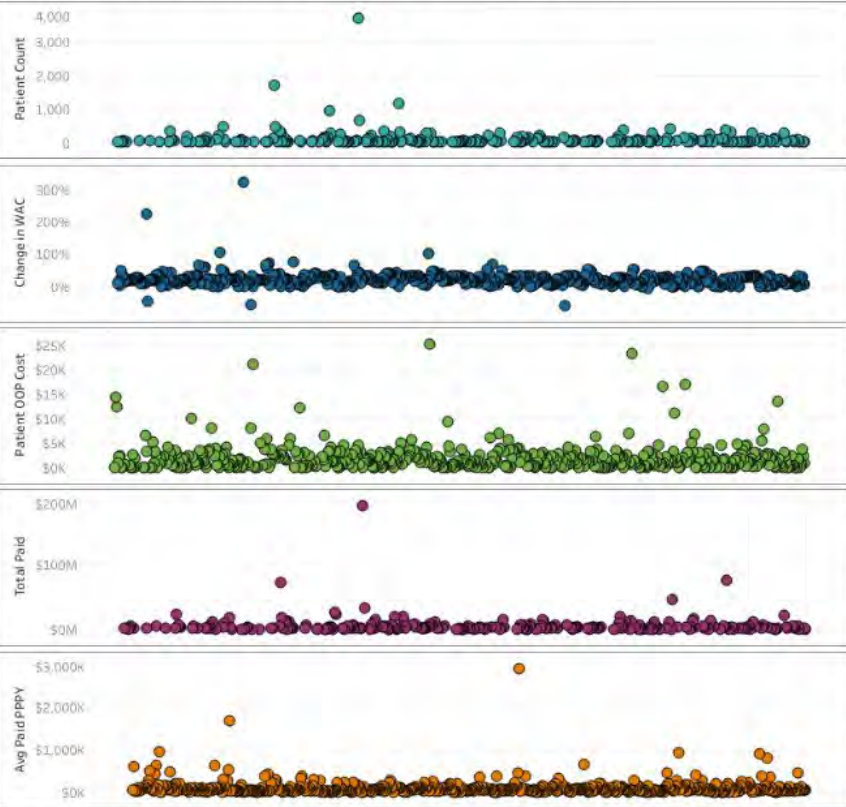
- In-depth analysis on 5 selected drugs to assist board in affordability determination
- Assess utilization and price changes compared to 'market'

The Board used the publicly available dashboard and resulting data to help select which drugs to perform an affordability review on and potentially determiner unaffordability



# Selection Criteria Dashboard

## Prioritized Summary and Ranked and Weighted List



There are **604** eligible drugs for review this year. In 2021, at least **26,299** Coloradans used these drugs. The average 5 year change in WAC for all eligible drugs was a **21.22% increase**. Average Patient OOP Cost was **\$1,673** and the total paid in 2021 was **\$1,462,194,494** while the average paid per person per year was **\$91,406**.

Select to see drugs:  
1 - 20

Select prioritized metric to change table sort  
Prioritized Rank

Prioritized Ranked & Weighted List: Drugs 1 - 20 sorted by Prioritized Rank								
Brand Name	Strength	Dosage Form	Prioritized Rank	Patient Count	Change in WAC	Patient OOP Cost	Total Paid	Avg Paid PPPY
HUMIRA	40 mg/0.4 mL	PEN INJECTOR	1	3,703	42.09%	\$2,982	\$191,201,943	\$25,817
TRIKAFTA	100 mg-50 mg-75 mg (day	TABLET SEQUE	2	372	4.90%	\$1,732	\$75,859,910	\$203,924
ENBREL	50 mg/mL (1 mL)	PEN INJECTOR	3	1,707	36.24%	\$2,812	\$72,504,276	\$42,475
STELARA	90 mg/mL	SYRINGE (ML)	4	414	23.87%	\$1,399	\$45,794,896	\$61,969
HUMIRA	40 mg/0.4 mL	SYRINGE KIT (E...	5	643	42.09%	\$2,556	\$32,600,235	\$50,700
GENVOYA	150 mg-150 mg-200 mg-1	TABLET	6	940	28.84%	\$1,293	\$27,344,595	\$29,090
AUBAGIO	34 mg	TABLET	7	335	23.64%	\$4,207	\$23,428,771	\$69,937
GILENYA	0.5 mg	CAPSULE	8	282	32.66%	\$3,367	\$22,855,252	\$81,047
XTANDI	40 mg	CAPSULE	9	282	19.21%	\$3,078	\$21,648,442	\$76,768
REVLIMID	10 mg	CAPSULE	10	167	25.80%	\$3,232	\$20,056,441	\$125,436
IMBRUVICA	420 mg	TABLET	11	166	39.72%	\$3,308	\$19,490,114	\$117,410
ENBREL	50 mg/mL (1 mL)	SYRINGE (ML)	12	460	36.24%	\$2,709	\$18,861,606	\$22,466
COSENTYX	150 mg/mL	PEN INJECTOR	13	456	46.94%	\$2,168	\$17,954,496	\$39,335
TAKHZYRO	300 mg/2 mL (150 mg/mL)	VIAL (ML)	14	42	12.55%	\$4,999	\$16,557,876	\$394,285
IBRANCE	125 mg	TABLET	15	213	21.11%	\$1,862	\$15,846,952	\$74,399
OPDIVO	240 mg/24 mL	VIAL (ML)	16	212	16.04%	\$1,001	\$15,039,539	\$75,627
NORDITROPIN	15 mg/1.5 mL (10 mg/mL)	PEN INJECTOR	17	288	30.39%	\$3,398	\$14,741,579	\$51,186
ENTYVIO	300 mg	VIAL (EA)	18	335	39.45%	\$2,447	\$13,948,782	\$37,281
EPCLISA	400 mg-100 mg	TABLET	19	317	0.00%	\$1,887	\$13,504,366	\$42,601
OPSUMIT	10 mg	TABLET	20	157	23.86%	\$2,594	\$13,488,957	\$44,159

Prioritized Metric Rank and Weight:	Patient Count Weight 25.00%	Change in WAC Weight 23.00%	Patient OOP Cost Weight 19.50%	Total Paid Amount Weight 16.30%	Avg Paid PPPY Weight 15.30%
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**COLORADO**  
Prescription Drug  
Affordability Board  
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# Questions and Feedback



Reach out to:

- Cari Frank, [cfrank@civhc.org](mailto:cfrank@civhc.org)
- Kate Davidson, [kate.davidson@state.co.us](mailto:kate.davidson@state.co.us)
- Lila Cummings, [lila.cummings@state.co.us](mailto:lila.cummings@state.co.us)

