

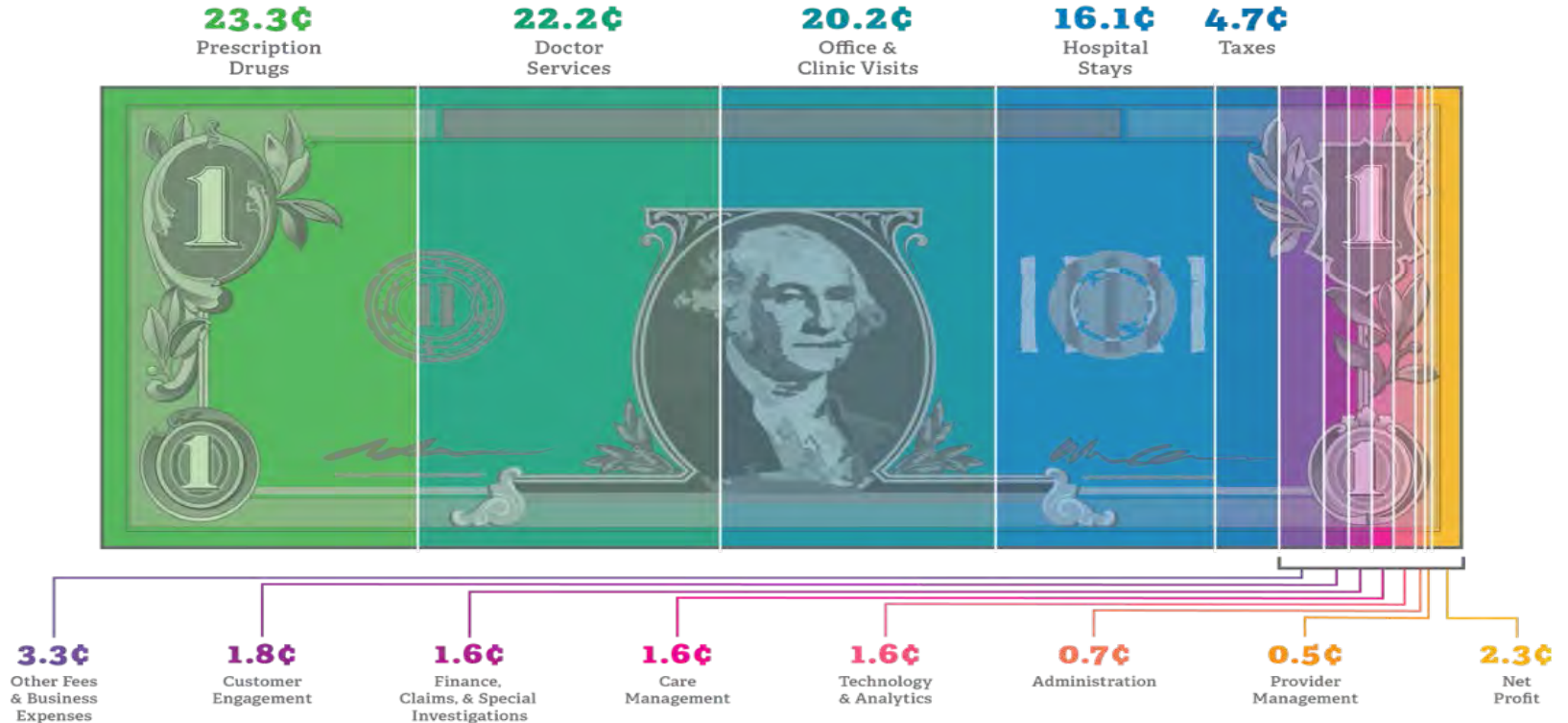


# Impact of Rx Pricing Patterns on Premiums and Out-of-Pocket Costs

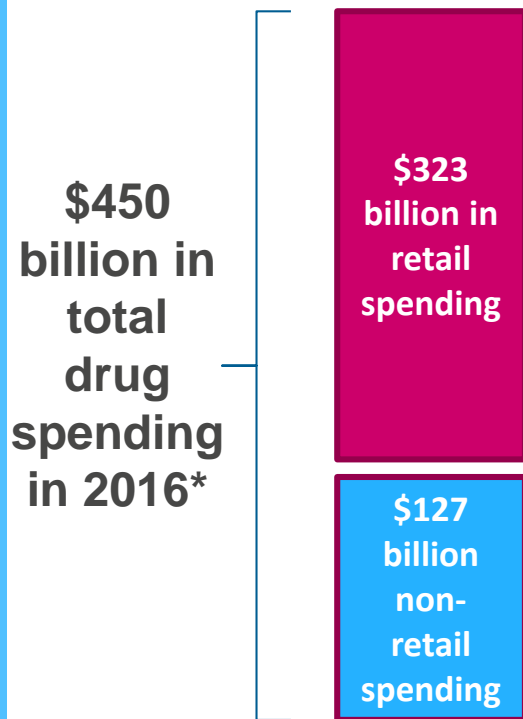
Sunshine Moore – Regional Director, State Affairs  
Nevada Interim Legislative Committee on Health Care  
September 24, 2018 – Carson City / Las Vegas

Agenda Item VI B (HEALTH)  
Meeting Date: 09-24-18

# Where Does Your Health Care Dollar Go?



# Total Rx Spending = Retail + Non-Retail



In general, no rebates on:

- Generic drugs
- Non-preferred brand drugs
- Many single source off-patent brand drugs
- Many first-in-class drugs  
*(until me-too hits the market)*
- Physician-administered drugs (IV, injectables, high-cost specialty Rx)

***For many drugs, the list price IS the price.***

# Prices can go up at any time – by any amount

## EPIPEN PRICE UNDER MYLAN

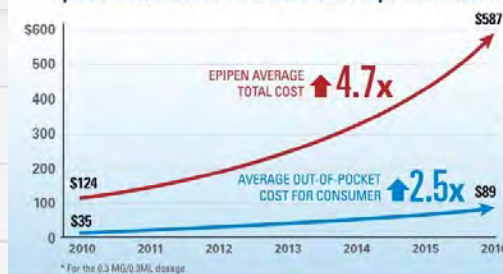


SOURCE: Truven Health Analytics

BUSINESS INSIDER

- 10% price hikes 2x/yr
- 15% price hikes 2x/yr
- 15 price hikes over 7 yrs

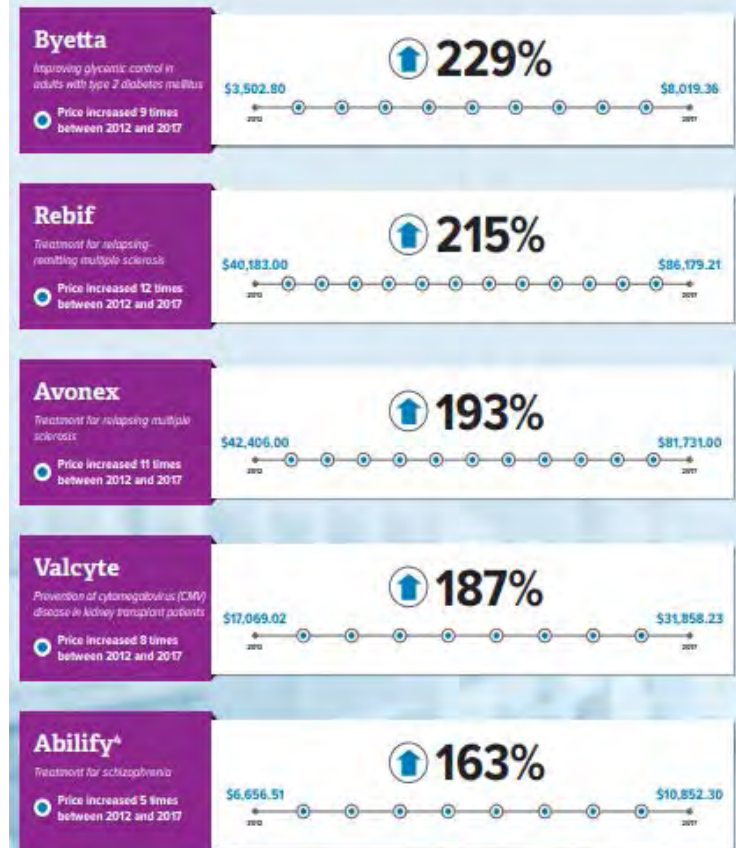
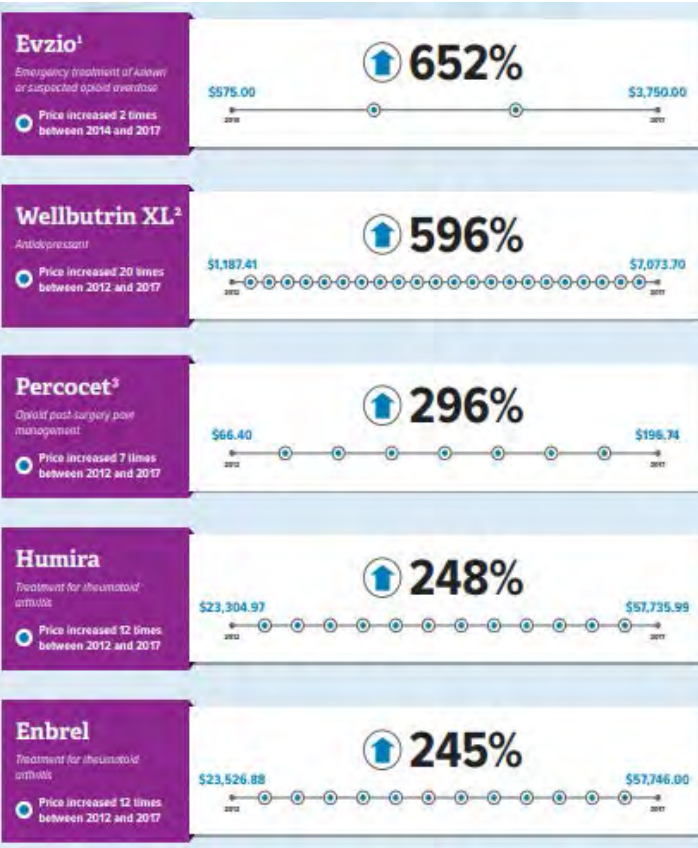
EpiPen® Cost Increase vs. Out of Pocket Expense 2010-2016



BLUE CROSS BLUE SHIELD | THE HEALTH OF AMERICA

Co-pays reflect underlying drug prices

# Rebates cannot keep pace with price hikes





# Copay Coupons Mask Price Hikes

**GILEAD**  
**Co-Pay Coupon Card**  
 RxBIN: 010524  
 RxPCN: Loyalty  
 RxGRP: 50776283  
 ISSUER: (80840)  
 ID:

**Xifaxan 550 mg INSTANT SAVINGS CARD**  
**\$0 COPAY\***  
 FOR MOST ELIGIBLE COMMERCIALLY INSURED PATIENTS WITH COVERAGE FOR Xifaxan 550 mg

**OXYCONTIN COUPON**  
**Drug Coupon**  
**NEVER EXPIRES**  
 Pharmacy Instructions:  
 Submit as a primary claim (cannot be processed as secondary) using the pharmacy processing information. For processing questions and comments please call the Pharmacy Helpline below.  
 THIS IS NOT INSURANCE  
 Customer Service: 877-321-6755  
 Pharmacy Helpline: 800-223-2146

**EpiPen 2-Pak® EpiPen Jr 2-Pak®**  
 (Epinephrine) Auto-Injectors 0.3/0.15mg  
**\$0 CO-PAY OFFER**  
 For each EpiPen 2-Pak® carton\*  
 Up to three EpiPen 2-Pak cartons per prescription fill

**\$0 copay**  
 for SUBOXONE Film  
 (up to \$50 a month in savings)\*  
**Suboxone®** (buprenorphine and naloxone) Film  
 (buprenorphine) 2 mg/1 mg & 8 mg/2 mg Film  
 BIN: 004682  
 PCN: CN  
 Group #: ECS2001078  
 ID #: 4858535461

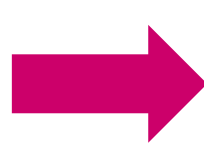
**LIPITOR**  
**\$4 CO-PAY CARD**  
 Exp: 12/31/2012  
 Bin: 000000  
 Group: 000000000  
 ID: 000000000000

**HARVONI**  
 ledipasvir / sofosbuvir  
 90mg / 400mg tablets  
**HARVONI Co-pay Registration**

**APTIOM SAVINGS CARD**  
**APTIOM**  
 (es/citabazepine acetate) tablets  
 RxBIN: 610524  
 RxPCN: Loyalty  
 RxGRP: 50776806  
 ISSUER: (80840)  
 ID: (00000000)

**Patient Copay/Coinsurance Assistance Card**  
 Eligible patients pay as little as  
**\$25 monthly\***  
 for **Jakafi®**  
 ruxolitinib tablets!  
 GROUP: 99992433 BIN: 610020 MEMBER #: XXXXXXXXXX  
 See reverse side for eligibility criteria.  
 Activate this card by calling 1-855-4-Jakafi (1-855-452-5234).  
 Keep your card for continued savings.

# Federal Government's View: Coupons = Kickback



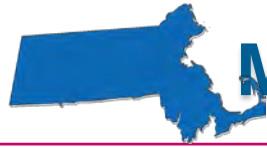
Consumers  
Pay More  
\$\$\$



Pharma  
Makes More  
\$\$\$

**Coupons are prohibited** in federal health care programs like Medicare and Medicaid.

- Considered a kickback, because they induce a patient to take a certain drug.
- Many studies show they increase use of higher cost drugs, especially when generic or brand alternatives are available.



# Massachusetts vs New Hampshire



In a 2017 study on copay coupons, the researchers took neighboring states that had differing approaches to copay coupons to analyze the impact coupons have on generic utilization and drug spending.†

	Massachusetts	New Hampshire
Coupons Allowed?	NO - Massachusetts banned the use of coupons statewide	YES - New Hampshire allows coupon use in non-federal programs
Drugs Not Offering Coupons	When branded drugs did not offer coupons, <b>use of generic alternatives was equivalent</b> in both states	
Drugs Offering Coupons to All Patients		<ul style="list-style-type: none"><li>When branded drugs offered coupons, <b>use of generic alternatives was 3.4% LOWER</b></li><li>This amounted to <b>\$700 million more in drug spending – \$2.9 billion over five years</b></li></ul>
Drugs That Offer Coupons Among Patients <65 yrs		<ul style="list-style-type: none"><li>When branded drugs offered coupons for this age group, <b>use of generic alternatives was 6.3% LOWER</b></li><li><b>Increased spending could reach close to \$6 billion</b></li></ul>

† [\*When Discount Raise Costs: The Effect of Copay Coupons on Generic Utilization.\*](#)



# Solutions that Save Patient & Taxpayer

- **Dollars** Manufacturers could **lower drug prices** so that patients can afford their medications.
- Policymakers could **prohibit copay coupons** when there is a less expensive and equally effective alternative medication.
- Policymakers could **require drug makers to be transparent in their use of coupons, third party payments or patient assistance programs** that steer patients toward certain types of coverage.
- Protect and expand tools that foster competition and lower drug costs (e.g., formulary management to incent price negotiation).
- Increase transparency in how drug companies set, and why they raise, prices.
- Develop an infrastructure for independent reporting of value/comparative effectiveness.

**Drug prices are too high.  
You shouldn't need a coupon to afford a life-saving medication.**

# Thank you



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