Maintain Access to Treatment
Drug Costs Continue to Rise

Price growth since 2000

- Prescription drugs: +69%
- Hospital care: +60%
- Physician and clinical services: +23%

Source: Centers for Medicare & Medicaid Services
Impact of High Drug Costs

- Health System Spending
- Physician/Institution Attribution
- Patient Access & Out of Pocket Cost
Drug Pricing Landscape

• Active on every level: state, federal, legislative & regulatory

• House oversight = More hearings and investigation

$375,000 price leads disabled mom to ration meds

Congress Revives Flurry of Drug Pricing Legislation

Oversight Committee Launches Sweeping Drug Price Investigation

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Figure 6

Public Blames Fraud, Drug And Insurance Companies’ Profits, And Hospital Charges For Rising Health Care Costs

Percent who say each is a major reason why people’s health care costs have been rising:

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug companies make too much money</td>
<td>78%</td>
</tr>
<tr>
<td>Too much fraud and waste in the health care system</td>
<td>71%</td>
</tr>
<tr>
<td>Hospitals charge too much</td>
<td>71%</td>
</tr>
<tr>
<td>Insurance companies make too much money</td>
<td>70%</td>
</tr>
<tr>
<td>New medical technologies are often very expensive</td>
<td>62%</td>
</tr>
<tr>
<td>Doctors charge too much</td>
<td>49%</td>
</tr>
<tr>
<td>The population is aging</td>
<td>47%</td>
</tr>
<tr>
<td>The cost of medical malpractice lawsuits</td>
<td>45%</td>
</tr>
<tr>
<td>People getting more services than they really need</td>
<td>41%</td>
</tr>
<tr>
<td>The 2010 health care law</td>
<td>39%</td>
</tr>
<tr>
<td>The Trump administration's actions on health care</td>
<td>38%</td>
</tr>
<tr>
<td>People with insurance don’t shop for lower-priced services</td>
<td>28%</td>
</tr>
</tbody>
</table>

SOURCE: KFF Health Tracking Poll (conducted August 23-28, 2018)
Neurology Stake in Drug Pricing

- **2%** Physician Population
- **11%** Medicines in Development
- **18%** Rare Diseases
High Cost Examples

• Copaxone®
  ▪ Originally approved in 1996, costs $86K/year even with 2 generic competitors

• Spinraza®
  ▪ New orphan drug for a rare disease
  ▪ Costs $750K in year 1; then $375K/year for life

• Firdapse®
  ▪ Previously available via FDA Compassionate Use
  ▪ Now branded, $375K/year for life
Impact on Patients

• Nearly 1 in 4 Americans taking prescription drugs report difficulty affording them
• Prescription abandonment
• Compliance difficulty, including rationing
• Patients’ share of costs has increased
  ▪ Higher impact for those taking specialty drugs
Impact on Physicians/Institutions

• High cost drugs = high institutional risk
• The cost of drugs prescribed is attributed to the prescriber
  ▪ Narrow networks
  ▪ MIPS adjustments
• Unfavorable for risk-bearing APMs
• Administrative burden
  ▪ Prior authorization
  ▪ Step therapy
Environment

• Elements for change are building
  ▪ Increased political pressure
• States moving faster than the federal government
  ▪ Some new state laws are being challenged in the courts
• Multiple regulatory changes in motion
  ▪ International Pricing Index, generic approvals, rebate reform, etc.
• More patients are telling how high drug costs affect them
• Payers are adopting their own measures to slow/shift cost
Happening on Tuesday

- AbbVie Inc.
- AstraZeneca
- Bristol-Myers Squibb
- Johnson & Johnson
- Merck & Co., Inc.
- Pfizer
- Sanofi

Drug Pricing in America: A Prescription for Change, Part II

Starts at 10:15 a.m.
215 Dirksen Senate Office Building

#NOH19
#AANadvocacy
Drug Pricing & Access Issues

- Negotiation
- Prior Authorization
- Step Therapy
- Transparency
- Orphan Drug Act Reform
- Patent Reform
- Importation
- Rebates & coupons
- Oversight

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#AANadvocacy
Pharmacy Benefit Management

SPECIALTY PHARMACY BENEFIT MANAGEMENT TECHNIQUES FOR 2016

- Step Therapy: 74% (2015), 77% (2016)
- Prior Authorization for Drugs Under Pharmacy Benefit: 70% (2015), 76% (2016)
- Quantity Limits: 63% (2015), 70% (2016)
- Use of Freestanding or PBM’s Specialty Pharmacy: 33% (2015), 55% (2016)
- Prior Authorization for Drugs Under Medical Benefit: 29% (2015), 53% (2016)
What is Step Therapy?

Patient must take low cost drug first + Patient must fail on the drug = BEFORE INSURERS APPROVE NEUROLOGIST'S ORIGINAL PRESCRIBED DRUG
Downstream Impact of High Cost

High Drug Costs → Utilization Management Tools → Step Therapy
Restoring the Patient’s Voice Act

• Would require group health plans to establish an exception to medication Step Therapy protocols, such as:
  ▪ (1) the treatment is contraindicated,
  ▪ (2) the treatment is expected to be ineffective,
  ▪ (3) the treatment will cause or is likely to cause an adverse reaction to the individual,
  ▪ (4) the treatment is expected to decrease the individual's ability either to perform daily activities or occupational responsibilities or adhere to the treatment plan, or
  ▪ (5) the individual is stable based on the prescription drugs already selected.
Restoring the Patient’s Voice Act

• Also would require a clear process for an individual to request an exception to the protocol

• Requests should be decided on within 3 days
  ▪ Where the life, health, and ability of the individual are jeopardized by the protocol, decisions must be made within 24 hours after receipt of the request
The Ask

• Support the Restoring the Patient’s Voice Act of 2019
  ▪ Senate lead: Sen. Doug Jones (D-AL)

• If applicable, thank the cosponsors from the 115th Congress
  ▪ Cosponsors will be marked on your Soapbox schedules with “PREV CSP”
Frequently Asked Questions

• What’s the bill number?
  ▪ This legislation is still awaiting formal reintroduction in the new Congress, we will follow up with that information when available

• Are the House and Senate versions the same?
  ▪ Yes, this bipartisan legislation is the same in both chambers

• What will this cost?
  ▪ This bill is not expected to result in any significant cost to the government. In states that have implemented similar laws, these step therapy exceptions did not result in health insurance premium increases.
Questions?
Example Ask
Practice the Ask in Your Small Groups
Develop Your Pitch

1. Tell your story about drug pricing and step therapy

2. Link to the ask

3. Ask for support for the Restoring Patient’s Voice Act
Final Thoughts