

# Prescription Drug Affordability Board Annual Report 2023

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Second Substitute Senate Bill 5532; Section 8; Chapter 153; Laws of 2022

December 15, 2023

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## Executive Summary

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The Prescription Drug Affordability Board (PDAB) was established following passage of SB 5532 by the Washington State Legislature in 2022. The PDAB's mission is to monitor and mitigate unsupported price increases of prescription drugs for Washingtonians. The PDAB is a five member board appointed by the Governor with expertise in health care economics and clinical medicine and staff support from the Health Care Authority (HCA). The PDAB is also permitted to establish advisory groups composed of relevant Washington stakeholders, including patients, patient advocates, and experts.

Each year, PDAB is tasked with submitting a report to the legislature outlining the Board's activities. In 2023, the Board's focus was on its initial inception and the creation of an operating regulatory framework. Highlights from 2023 include:

- The Governor appointed the 4-member Prescription Drug Affordability Board, and HCA hired support staff for the Board.
- HCA initiated the rulemaking process and anticipates finalizing the rules by the end of 2023.
- HCA drafted internal policies and procedures for the Board.
- HCA began drafting an initial drug list, shared with the board during the December 11<sup>th</sup> Board Meeting. The list will facilitate future affordability reviews by the Board.
- HCA published a public-facing webpage, a public meeting calendar, and resources for further information on the Board's activities on the HCA website.

## Board Member Appointments

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The Prescription Drug Affordability Board is a 5-member, Governor-appointed board, meeting approximately every two months and serving for a four-year term.

Four PDAB members were appointed in August 2023, and will serve until June 2027. In 2023, the Board conducted two open public meetings. The October 20 meeting focused primarily on open government training for the new board members. The December 11 meeting focused on general Board business and planning for 2024. Information on Board members and staff is included in the appendix.

### Board Members



**MaryAnne Lindeblad** served as State Medicaid Director from 2012-2021. Her leadership spanned most aspects of health care including acute care, long-term care, behavioral health, oral health, senior care, and services for individuals with disabilities. MaryAnne holds a Master of Public Health from the University of Washington and a Bachelor of Science in Nursing from Eastern Washington University.

#### Career milestones

- Eastern Washington University Chapter of the Upsilon Phi Delta Society
- Distinguished Nurse Influencer at University of Washington
- Randy Revelle Award for behavioral health advocacy
- Chaired executive committee for the National Academy for State Health Policy
- Board of National Association of Medicaid Directors
- Board of the Arcora Foundation
- Board of the Olympia Free Medical Clinic
- Westminster Presbyterian Church's Hope Village committee



**Dr. Douglas Barthold** is a health economist and research assistant professor in the Comparative Health Outcomes, Policy, and Economics (CHOICE) Institute at the University of Washington School of Pharmacy.

### Career milestones

- Ph.D. in Economics from McGill University with specialization in empirical health economics
- Postdoctoral fellowship at the Schaeffer Center for Health Policy and Economics at the University of Southern California

Dr. Barthold's research includes health policy, chronic disease management, and cognition from mid-life to end of life. He also researches the role of health policies in pharmaceutical management of mid-life risk factors for Alzheimer's disease and related dementias (ADRD) and the value of care for conditions that influence health aging.



**Hung Truong** is the executive director of Madrona Health, LLC., a joint venture between Virginia Mason Franciscan Health and Confluence Health. He earned his Pharm.D. from Washington State University and MBA from Western Governors University.

### Leadership at Virginia Mason Medical Center

- Retail pharmacy division
- Ambulatory pharmacist team
- Drug regulatory compliance
- Self-funded health plan

In 2017, Hung launched the specialty pharmacy program that led to the formation of Madrona Health.



**Eileen Cody** worked as a neuro-rehab nurse for Kaiser Permanente (formerly Group Health Cooperative) in Seattle for more than 40 years. She served constituents in the 11th and 34th districts as an elected representative from 1994-2022. Eileen earned an Associate Degree in Nursing from the College of Saint Mary and a Bachelor of Science in Nursing from Creighton University.

### Career milestones

- Washington State House of Representatives, 1994-2022
- Founding member of District 1199 NW/SEIU Hospital and Health Care Employees Union
- Health Care Cost Transparency Board
- Harborview Hospital Board of Trustees

# Washington Administrative Code Rulemaking and Policy Drafting

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## Rulemaking

Throughout summer 2023, HCA staff engaged in drafting and reviewing processes for Washington Administrative Codes governing the new PDAB. This process involved input from internal stakeholders at HCA, support from the Washington State Attorney General's Office, and comments from a broad range of external stakeholders. The rules were published in November 2023 and will be implemented 90 days after the 2024 legislative session per requirements around delayed implementation established in RCW 70.405.090.

The draft rules, Chapter 52 WAC, will be linked on the [PDAB webpage](#).

## Policies and Procedures

Following external review of the rules, HCA began drafting a set of policies and procedures for the new Board. These policies and procedures offer further detail on the voting mechanisms, support staff structure, and Board operating procedures. The policies were finalized in December 2023.

A copy of the policies and procedures will be available on the [PDAB webpage](#).

## Initial Drug List

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In 2023, HCA began developing an initial drug list for the Board to review. This list will be available on the PDAB website following submission to the Board. In 2024, the Board will narrow down this list to conduct an affordability review of up to 24 drugs. In subsequent years, the Board may conduct affordability reviews of an additional 24 drugs per year.

The methodology for developing the initial drug list is described below.

PDAB is required by RCW 70.405.030 to identify prescription drugs that:

- Have been on the market for at least seven years
- Are dispensed at a retail, specialty, or mail-order pharmacy
- Are not designated by the United States Food And Drug Administration (FDA) under 21 u.s.c. sec. 360bb as a drug solely for the treatment of a rare disease or condition

The drugs must also meet the following thresholds:

1. Brand name prescription drugs and biologic products that:
  - a. (a) Have a wholesale acquisition cost of \$60,000 or more per year or course of treatment lasting less than one year; or
  - b. (b) Have a price increase of 15 percent or more in any 12-month period or for a course of treatment lasting less than 12 months, or a 50 percent cumulative increase over three years.
2. A biosimilar product with an initial wholesale acquisition cost that is not at least 15 percent lower than the reference biological product.
3. Generic drugs with a wholesale acquisition cost of \$100 or more for a 30-day supply or less that has increased in price by 200 percent or more in the preceding 12 months.

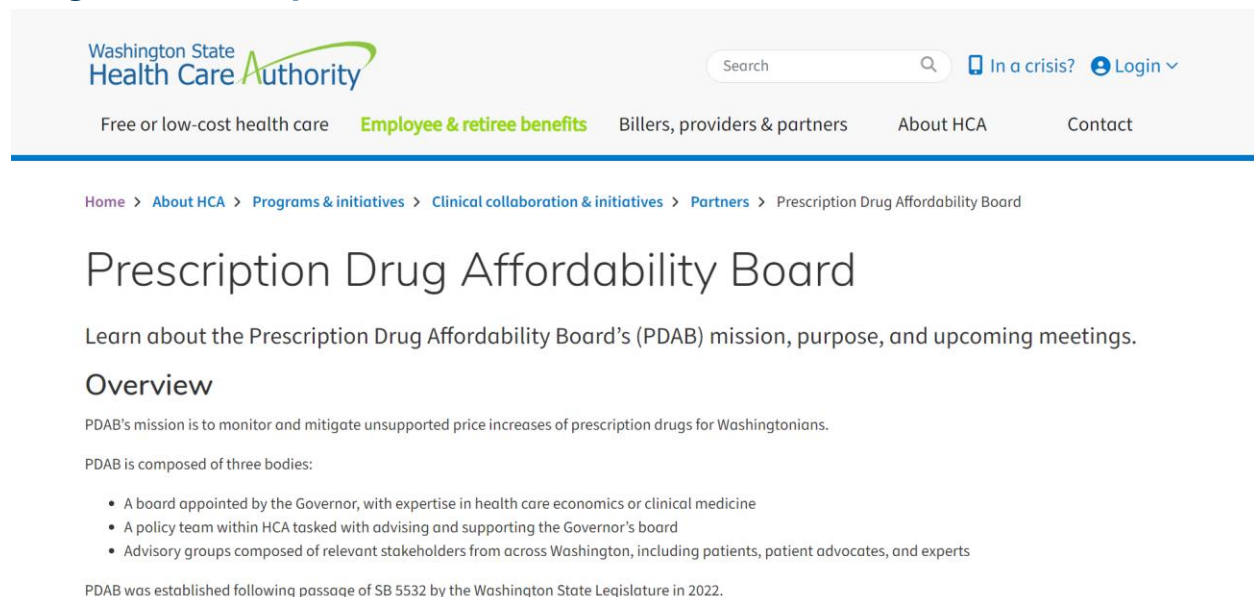
# Public-Facing Webpage and Meeting Calendar Published

HCA published a public-facing webpage, meeting calendar, and a PDAB email to allow the public to access information regarding the Board. The webpage contains links to meeting agendas, meeting minutes, the authorizing legislation, the WAC rules, and the policies and procedures. The webpage also includes biographies of the 5-member Board.

[View the PDAB webpage.](#)

**Email:** [hca\\_wa\\_pdab@hca.wa.gov](mailto:hca_wa_pdab@hca.wa.gov)

## Image 1: Screen capture of the PDAB website





## Conclusion

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In summary, the Board's activities in 2023 included:

- The Governor appointed the 5-member Prescription Drug Affordability Board, and HCA hired a support staff for the Board.
- HCA and the Board drafted and finalized WAC rules and internal policies and procedures.
- HCA and the Board created an initial drug list to facilitate future affordability reviews by the Board.
- HCA published a public-facing webpage, meeting calendar, and resources for further information on the Board's activities on the HCA website.

In 2024, the Board's objectives are to:

- Establish an advisory board to assist in affordability reviews.
- Conduct an affordability review of up to 24 drugs.
- Develop a methodology for projecting cost-savings from a proposed upper payment limit on select drugs.

The next annual report will be submitted in December 2024.

For any inquiries, please contact: [hca\\_wa\\_pdab@hca.wa.gov](mailto:hca_wa_pdab@hca.wa.gov).