

Preparing For the 2026 Eligible Prescription Drug List

Overview



Methodology for including prescription drugs on the eligibility list



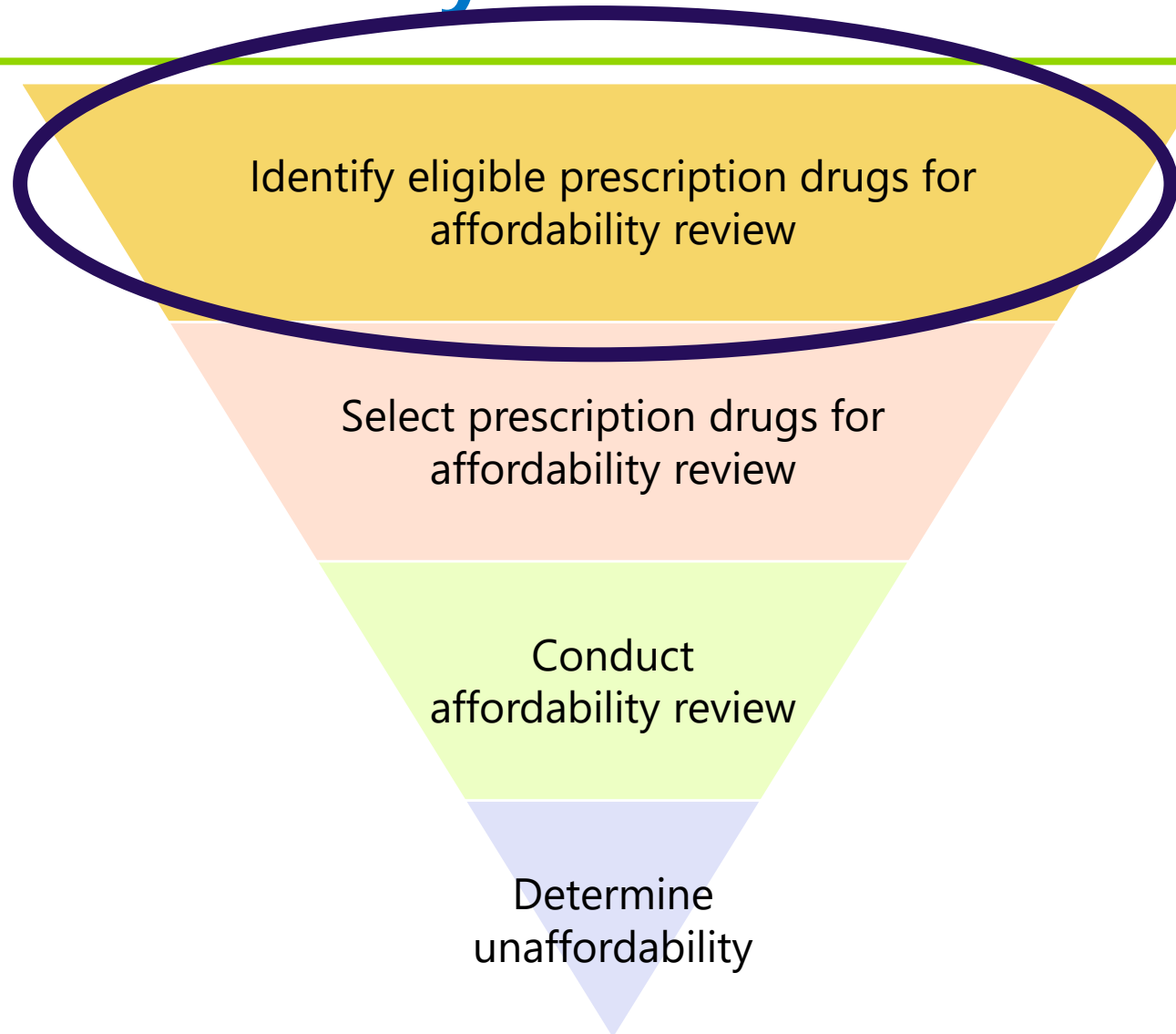
Methodology for creating prioritized shortlists for affordability review



Next steps and Q&A

Methodologies For Including Prescription Drugs On the Eligibility List

Affordability Review Process



RCW 70.405.030

The board must identify prescription drugs 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 under 21 U.S.C. Sec. 360bb as a drug solely for the treatment of a rare disease or condition, and meet the following thresholds:

- ▶ (1) Brand name prescription drugs and biologic products that:
 - ▶ (a) Have a wholesale acquisition cost (WAC) of \$60,000 or more per year or course of treatment lasting less than one year; or
 - ▶ (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; and
- ▶ (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.

Data Sources

Commercial databases of drug pricing and clinical information for drugs approved by the US Food and Drug Administration (FDA), over-the-counter drugs, and medical devices:

- ▶ First Databank (FDB)
- ▶ Medi-Span

(1) Brand name prescription drugs and biologic products that:

- (a) Have a wholesale acquisition cost of \$60,000 or more per year or course of treatment lasting less than one year

Data Source

- ▶ First Databank (FDB) dosing modules
 - ▶ Sources: manufacturer documentation, clinical literature, regulatory announcements
 - ▶ Dosing data is presented by age category

Definitions

Term	Definition
High dose	High drug dose per day specific to the patient age, reason for use, dose type, and route of administration
High duration of therapy	Recommended amount of time for which a drug should be administered, in days
Disease duration	Likely duration (acute, chronic, or both) of the diagnosis/disease states/health-related conditions or procedures linked with the NDC
Maintenance dose	Dose required to achieve steady-state drug concentration
Single dose	Dose taken at one time

Exclusions

- ▶ Vaccines
- ▶ Non-drug products

Methodology

- ▶ Identify brand NDCs using FDB provided Generic Name Indicator (GNI) data field
 - ▶ GNI identifies the NDC as brand, generic, or medical devices, bulk products and healthcare supplies based on the product's name
- ▶ Identify biologics using FDA Purple Book, current as of January 2026

Methodology

1. De-duplication
2. Multiply NDC's high dose by high duration of therapy to get number of units used in a year, performing any NDC unit conversions if necessary
3. Multiply number of units used in a year by WAC unit price as of 1/1/2026 to obtain cost of a course of treatment for one year

Goal of De-Duplication

- ▶ Choose one dose per NDC for calculation of course of treatment
- ▶ Choose dosing data for highest age range
- ▶ Choose chronic dosing data if available
- ▶ Choose maintenance dosing data if available

Methodology: De-Duplication

Example: Bactrim DS (sulfamethoxazole and trimethoprim)

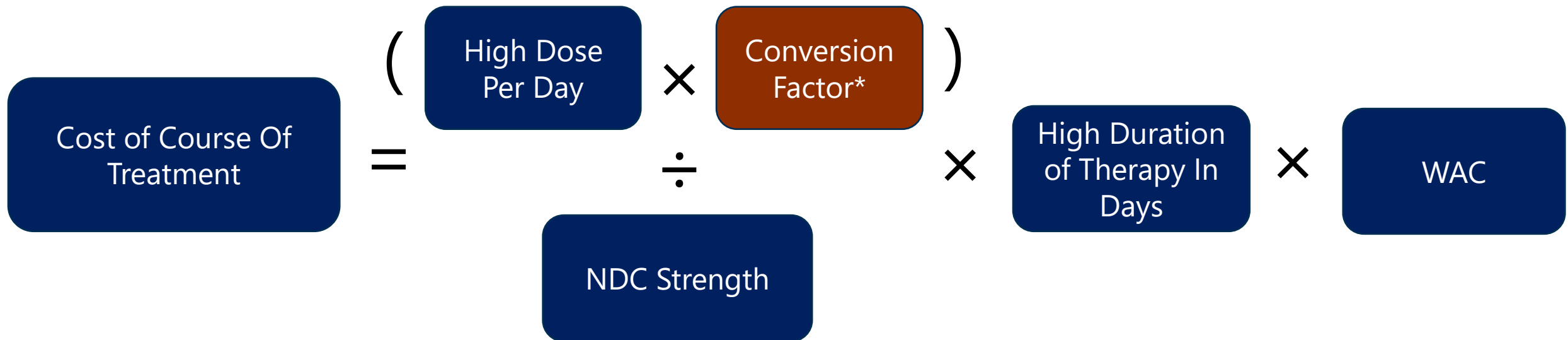
Lowest patient age	Highest patient age	Dose type	Disease Duration	High dose	High dose unit description	Billing unit	NDC strength	NDC strength unit of measure
28 days	59 days	SINGLE DOSE	Both	0.063	TAB-CAP/KG/D	each (tablets, kits, etc.)	160	MG
28 days	59 days	MAINTENANCE	Both	0.125	TAB-CAP/KG/D	each (tablets, kits, etc.)	160	MG
60 days	6569 days	SINGLE DOSE	Both	0.063	TAB-CAP/KG/D	each (tablets, kits, etc.)	160	MG
60 days	6569 days	MAINTENANCE	Both	0.125	TAB-CAP/KG/D	each (tablets, kits, etc.)	160	MG
6570 days (18 years)	40150 days (110 years)	MAINTENANCE	Both	4	TAB-CAP/DAY	each (tablets, kits, etc.)	160	MG
6570 days (18 years)	40150 days (110 years)	LOADING	Both	2	TAB-CAP/DAY	each (tablets, kits, etc.)	160	MG
6570 days (18 years)	40150 days (110 years)	SINGLE DOSE	Both	2	TAB-CAP/DAY	each (tablets, kits, etc.)	160	MG

Methodology: De-Duplication

Example: Bactrim DS (sulfamethoxazole and trimethoprim)

Lowest patient age	Highest patient age	Dose type	Disease Duration	High dose	High dose unit description	Billing unit	NDC strength	NDC strength unit of measure
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28 days	59 days	MAINTENANCE	Both	0.125	TAB-CAP/KG/D	each (tablets, kits, etc.)	160	MG
60 days	6569 days	SINGLE DOSE	Both	0.063	TAB-CAP/KG/D	each (tablets, kits, etc.)	160	MG
60 days	6569 days	MAINTENANCE	Both	0.125	TAB-CAP/KG/D	each (tablets, kits, etc.)	160	MG
6570 days (18 years)	40150 days (110 years)	MAINTENANCE	Both	4	TAB-CAP/DAY	each (tablets, kits, etc.)	160	MG
6570 days (18 years)	40150 days (110 years)	LOADING	Both	2	TAB-CAP/DAY	each (tablets, kits, etc.)	160	MG
6570 days (18 years)	40150 days (110 years)	SINGLE DOSE	Both	2	TAB-CAP/DAY	each (tablets, kits, etc.)	160	MG

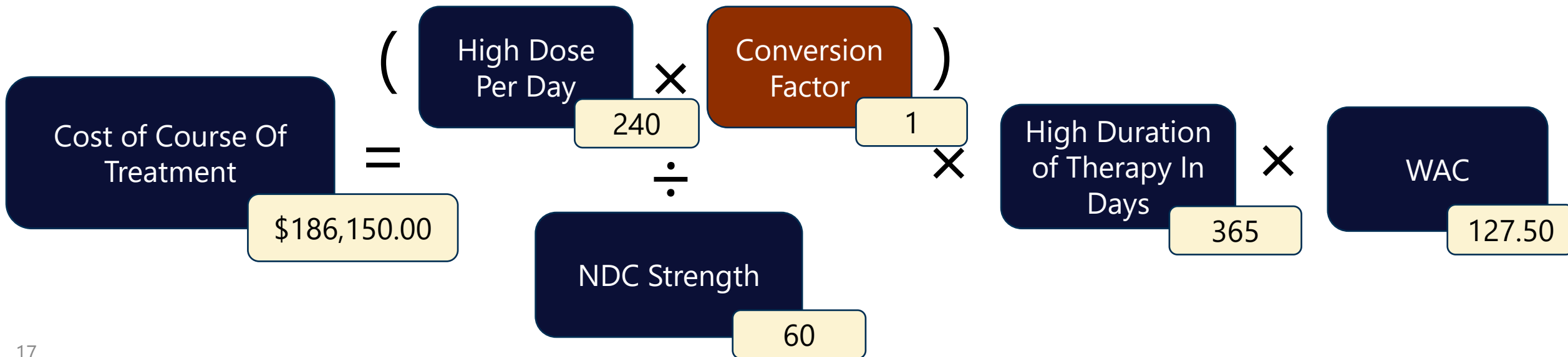
Cost of Course of Treatment



*A conversion factor will be applied if the high dose is not in the same units as the NDC strength

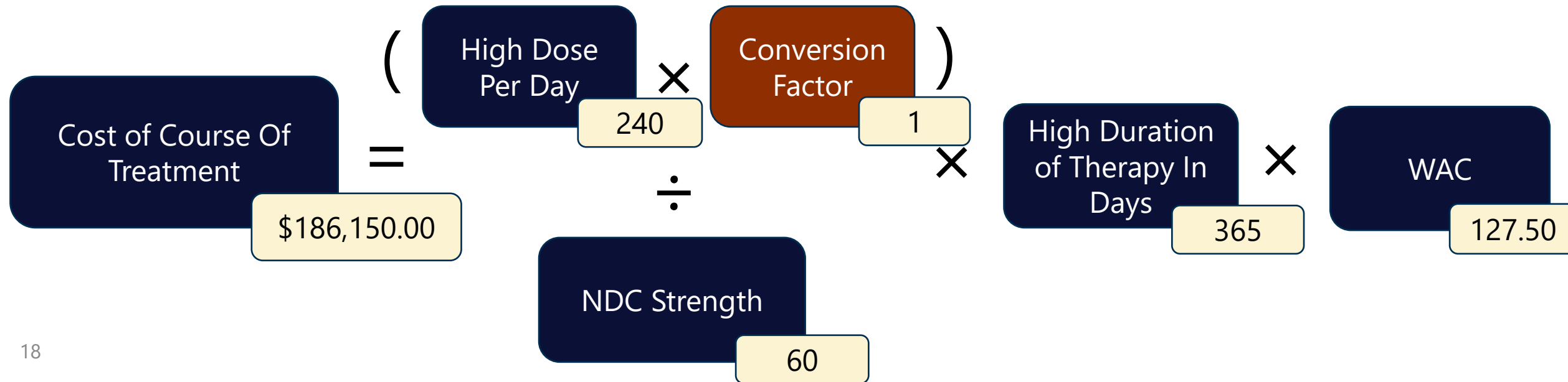
Example: ERLEADA 60 MG Tablet (NDC: 59676060012)

High dose	High dose unit description	High duration of therapy (in days)	WAC unit price	Billing unit each (tablets, kits, etc.)	NDC strength	NDC strength unit of measure
240	MG/DAY	0	\$127.50	each (tablets, kits, etc.)	60	MG



ERLEADA 60 MG Tablet

Cost of Course of Treatment



Erleada costs **\$186,150.00** for a course of treatment for one year, which meets the cost threshold of \$60,000 for review.

(1) Brand name prescription drugs and biologic products that:

(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

Methodology

- ▶ Have a price increase of 15 percent or more in any 12-month period
 - ▶ 12-month period: 12-month period prior to most recent unit price as of 1/1/2026

One Year Increase Methodology

- ▶ Current WAC: NDC's WAC unit price from its most recent price increase between 1/1/2025-1/1/2026
- ▶ One year WAC: WAC unit price from NDC's earliest price increase in the immediately preceding 12-month period from the date the current WAC was set.
 - ▶ If there is no increase in the immediately preceding 12-month period, the increase will be calculated from the WAC at the beginning of the period.

One Year Increase Methodology

$$\text{One Year Price Increase} = \frac{(\text{Current WAC} - \text{One Year WAC})}{\text{One Year WAC}}$$

Example: CLOMID 50 MG Tablet (NDC: 00713088509)

Market entry date	One year WAC unit price effective date	One year WAC unit price	Current WAC unit price effective date	Current WAC unit price
8/30/1999	7/3/2024	\$7.86	8/1/2025	\$11.50

$$\text{One Year Price Increase} = \frac{(\text{Current WAC} - \text{One Year WAC})}{\text{One Year WAC}}$$

The diagram illustrates the calculation of the one-year price increase. On the left, a dark blue box labeled "One Year Price Increase" is followed by an equals sign and a yellow box containing the value "46.31". To the right, a large equation is shown: a dark blue box labeled "Current WAC" with a yellow box containing "11.50" below it, followed by a minus sign, a dark blue box labeled "One Year WAC" with a yellow box containing "7.86" below it, all enclosed in large parentheses. Below this, a division sign is shown, followed by a dark blue box labeled "One Year WAC" with a yellow box containing "7.86" below it.

CLOMID 50 MG Tablet

One Year Price Increase

$$\begin{array}{c} \text{One Year Price Increase} \\ 46.31 \end{array} = \frac{\left(\begin{array}{c} \text{Current WAC} \\ 11.50 \end{array} - \begin{array}{c} \text{One Year WAC} \\ 7.86 \end{array} \right)}{\begin{array}{c} \text{One Year WAC} \\ 7.86 \end{array}}$$

Clomid **increased by 46.31%** in a 12-month period, which meets the threshold of an increase of 15% or more for review.

Three Year Increase Methodology

- ▶ Current WAC: NDC's WAC unit price from its most recent price increase between 1/1/2025-1/1/2026
- ▶ Three year WAC: WAC unit price from NDC's earliest price increase in the immediately preceding 36-month period from the date the current WAC was set.
 - ▶ If there is no increase in the immediately preceding 36-month period, the increase will be calculated from the WAC at the beginning of the period.

Three Year Increase Methodology

$$\text{Three Year Price Increase} = \frac{(\text{Current WAC} - \text{Three Year WAC})}{\text{Three Year WAC}}$$

Example: DEMEROL 50 MG/ML Vial (NDC: 00409118130)

Market entry date	Three year WAC unit price effective date	Three year WAC unit price	Current WAC unit price effective date	Current WAC unit price
9/30/1990	1/1/2023	\$3.13	1/1/2026	\$21.85

$$\text{Three Year Price Increase} = \frac{(\text{Current WAC} - \text{Three Year WAC})}{\text{Three Year WAC}}$$

598.08 = $\frac{(21.85 - 3.13)}{3.13}$

DEMEROL 50 MG/ML Vial Three Year Price Increase

$$\text{Three Year Price Increase} = \frac{(\text{Current WAC} - \text{Three Year WAC})}{\text{Three Year WAC}}$$

The diagram illustrates the calculation of the three-year price increase percentage for Demerol 50 MG/ML Vial. It shows the following values:

- Current WAC: 21.85
- Three Year WAC: 3.13
- Three Year Price Increase: 598.08

Demerol **increased by 598.08%** in a three-year period, which meets the threshold of an increase of 50% or more for review.

(2) A biosimilar product with an initial wholesale acquisition cost that is not at least 15 percent lower than the reference biological product

Biosimilar Increase Methodology

- ▶ Initial biosimilar WAC: the biosimilar's earliest listed WAC unit price
- ▶ Reference biologic WAC: the reference biologic's WAC unit price at the time of the earliest listed biosimilar WAC

Biosimilar Increase Methodology

$$\text{Biosimilar Price Increase} = \frac{(\text{Initial Biosimilar WAC} - \text{Reference Biologic WAC})}{\text{Reference Biologic WAC}}$$

Example: YUFLYMA(CF) 20 MG/0.2 ML Syringe (NDC: 72606002401)

Reference biologic label name	Reference biologic market entry date	WAC unit price of reference biologic as of initial biosimilar WAC	Price effective date of reference biologic WAC unit price	Initial WAC unit price of biosimilar	Price effective date of initial WAC unit price of biosimilar
CDV HUMIRA(CF) 20 MG/0.2ML SYR	12/31/2002	\$3461.31	2/19/2024	\$6576.50	4/1/2024

$$\text{Biosimilar Price Increase} = \left(\frac{\text{Initial Biosimilar WAC} - \text{Reference Biologic WAC}}{\text{Reference Biologic WAC}} \right)$$

90.00 = $\left(\frac{6576.50 - 3461.31}{3461.31} \right)$

YUFLYMA(CF) 20 MG/0.2 ML Syringe Biosimilar Increase Methodology

$$\text{Biosimilar Price Increase } 90.00 = \left(\frac{\text{Initial Biosimilar WAC } 6576.50 - \text{Reference Biologic WAC } 3461.31}{\text{Reference Biologic WAC } 3461.31} \right)$$

Yuglyma's initial WAC unit price is **90.00% higher** than its reference biologic's price at the time the initial WAC was set, which meets the threshold for review of not being at least 15% lower.

(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.

Methodology

- ▶ Identify generic NDCs using FDB provided Generic Name Indicator (GNI) data field
 - ▶ GNI identifies the NDC as brand, generic, or medical devices, bulk products and healthcare supplies based on the product's name
- ▶ Generics whose brand has been on the market for at least seven years also included

Methodology

1. De-duplication
2. Calculate the price increase over a 12-month period for generic NDCs
3. Of NDCs with a 200% or more increase, obtain number of NDC units used for a 30-day supply
4. Multiply number of NDC units used for a 30-day supply by NDC's WAC unit price to obtain cost of 30-day supply

Methodology: 200% or more increase

- ▶ Increased in price by 200% or more in preceding 12 months
 - ▶ 12-month period: 12-month period prior to most recent unit price as of 1/1/2026
 - ▶ One year price increase:
 - ▶ Current unit price: NDC's most recent unit price as of 1/1/2026
 - ▶ One year unit price: NDC's price as of 12 months prior to date of current unit price

Price Increase Methodology

$$\text{One Year Price Increase} = \frac{(\text{Current WAC} - \text{One Year WAC})}{\text{One Year WAC}}$$

Methodology: Calculating 30-Day Supply

If high duration of therapy in days ≥ 30 days:

- Multiply amount of NDC used per day by 30

If high duration of therapy in days < 30 days:

- Multiply amount of NDC used per day by exact high duration of therapy in days

If high duration of therapy in days ≥ 30 days:

- Multiply amount of NDC used per day by 30

$$\text{Cost of 30-Day Supply} = \left(\frac{\text{High Dose Per Day} \times \text{Conversion Factor}^*}{\text{NDC Strength}} \right) \times 30 \times \text{WAC}$$

*A conversion factor will be applied if the high dose is not in the same units as the NDC strength

If high duration of therapy in days < 30 days:

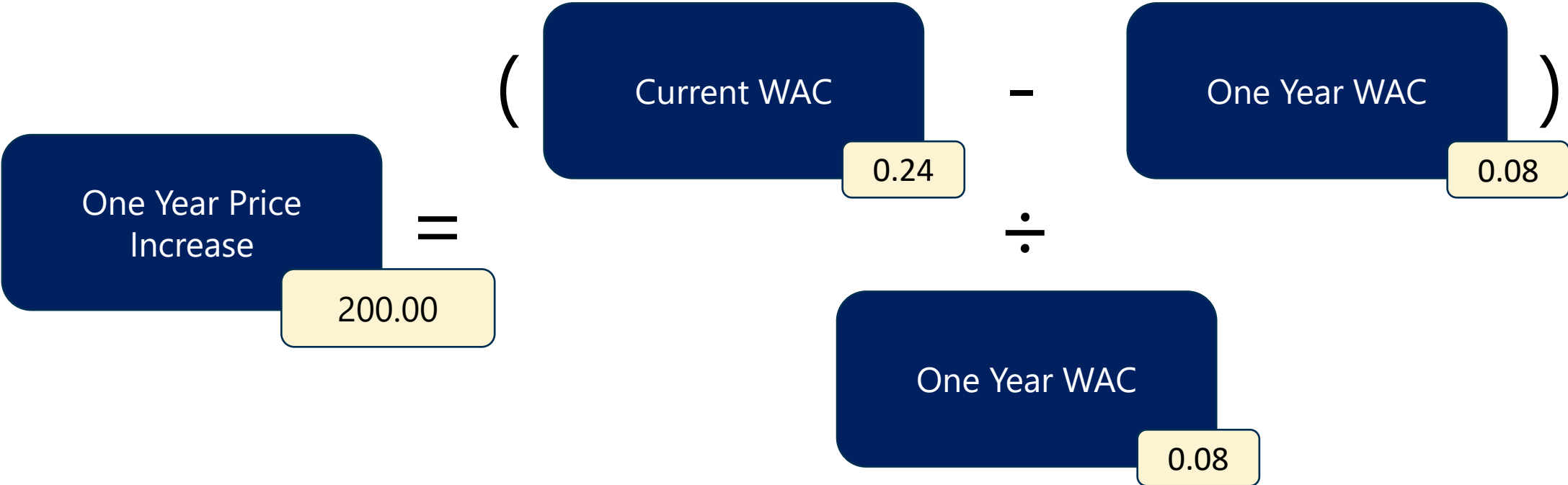
- Multiply amount of NDC used per day by exact high duration of therapy in days

$$\text{Cost of 30-Day Supply} = \left(\frac{\text{High Dose Per Day} \times \text{Conversion Factor}^*}{\text{NDC Strength}} \right) \times \text{High Duration of Therapy In Days} \times \text{WAC}$$

*A conversion factor will be applied if the high dose is not in the same units as the NDC strength

Example: Primidone 50 MG Tablet (Example from 2023) (NDC: 42291050901)

One year WAC unit price effective date	One year WAC unit price	Current WAC unit price effective date	Current WAC unit price
9/1/2010	\$0.08	3/22/2022	\$0.24



Example: Primidone 50 MG Tablet (Example from 2023) (NDC: 42291050901)

High dose	High dose unit description	High duration of therapy (in days)	WAC unit price	Billing unit each (tablets, kits, etc.)	NDC strength	NDC strength unit of measure
2000	MG/DAY	0	\$0.24		50	MG

$$\text{Cost of 30-Day Supply} = \left(\frac{\text{High Dose Per Day}}{\text{NDC Strength}} \times \text{Conversion Factor} \right) \times 30 \times 0.24$$

The diagram illustrates the calculation of the cost of a 30-day supply. It shows the following components and their values:

- High Dose Per Day:** 2000
- NDC Strength:** 50
- Conversion Factor:** 1
- Days of Supply:** 30
- WAC Unit Price:** 0.24
- Final Cost:** \$288.00

Primidone 50 MG Tablet (Example from 2023)

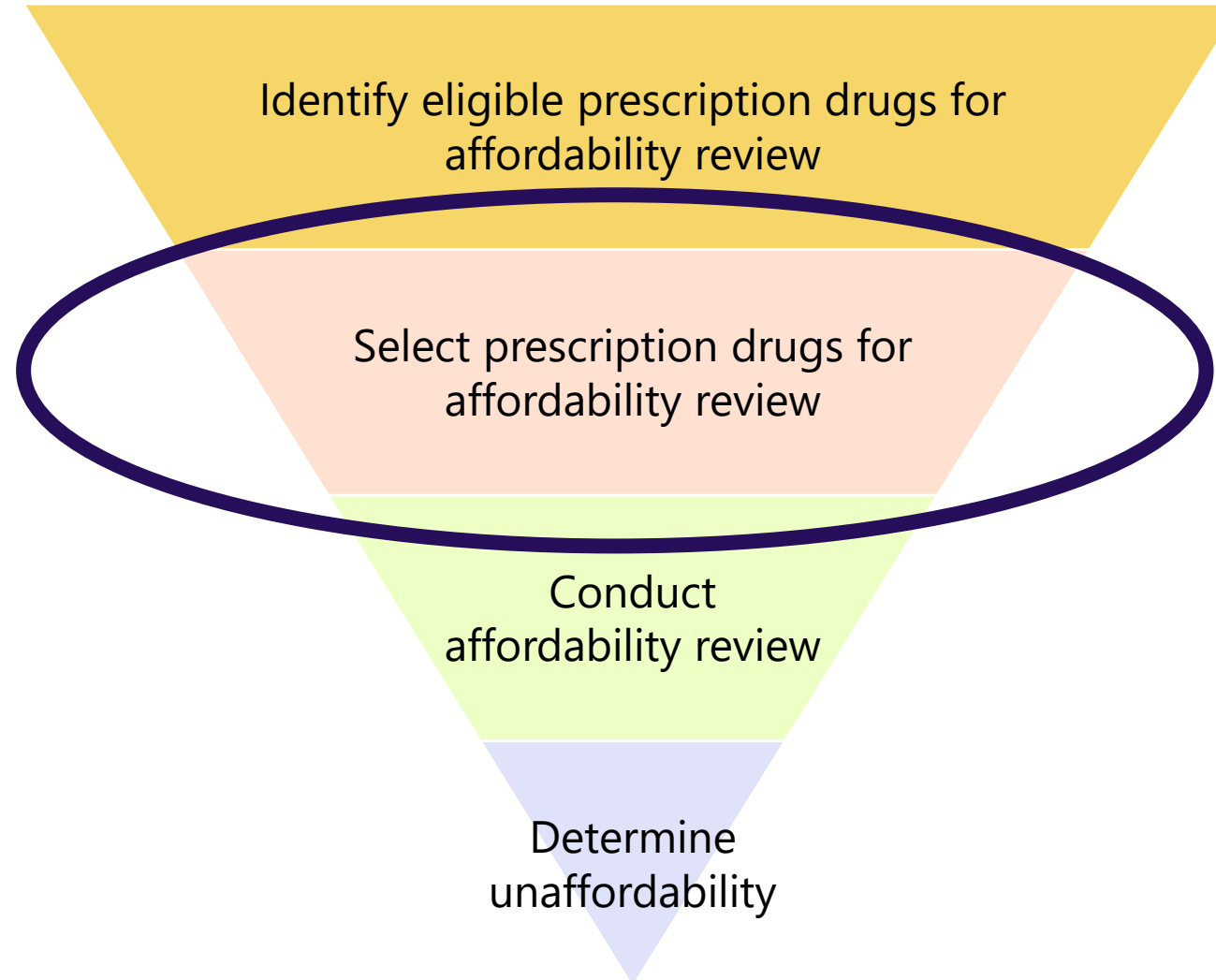
Price Increase and Cost of 30-Day Supply



- Primidone **increased by 200%** over a 12-month period, which meets the threshold of an increase of 200% or more for review.
- Primidone costs **\$288.00** for a 30-day supply, which meets the threshold of the cost of \$100 or more for review.
- Primidone is eligible for affordability review.

Methodology For Creating Prioritized Shortlists for Affordability Review

Affordability Review Process



RCW 70.405.040: Affordability Reviews

- ▶ The Board shall consider:
 - ▶ The class of the prescription drug and whether any therapeutically equivalent prescription drugs are available for sale;
 - ▶ Input from relevant advisory groups established pursuant to RCW 70.405.020; and
 - ▶ The average patient's out-of-pocket cost for the drug.
- ▶ Board can choose up to 24 drugs per year

Data Sources

Washington State All Payers Claim Database (APCD)

- Prescription drug utilization
- Patient out-of-pocket costs

Manufacturer data

- Pricing data
- Profit data
- Rebate data

PBM data

- Prescription drug utilization
- Rebate data



First Databank

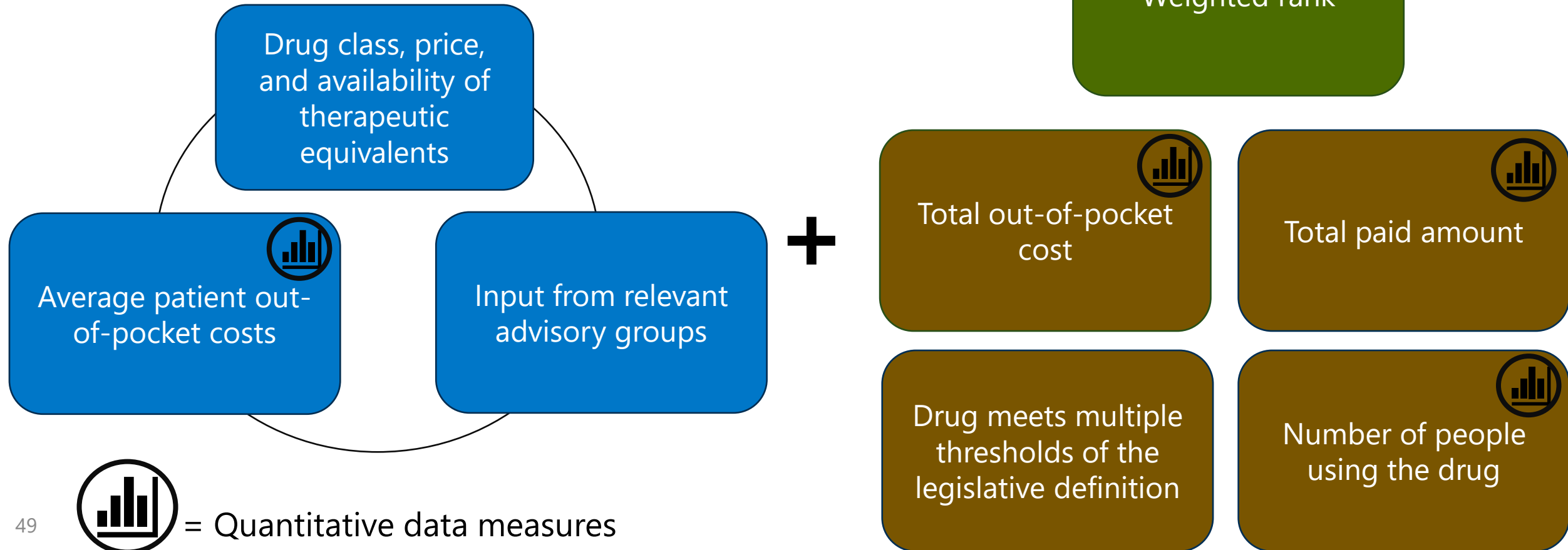
- Pricing data
- Prescription drug information (i.e. therapeutic alternatives)

Medi-Span

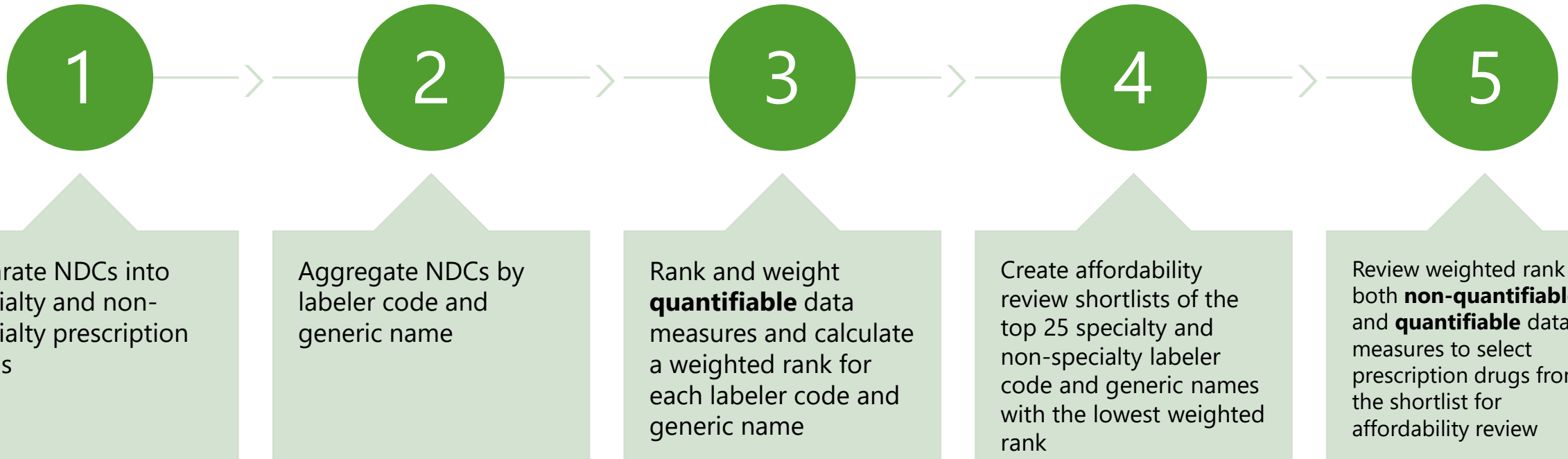
- Pricing data
- Prescription drug information (i.e. therapeutic alternatives)

Reviewing the Preliminary Affordability Review Shortlists

-  = Criteria required in RCW 70.405.040
-  = Criteria proposed by the PDAB



How Will Selection Criteria Be Used?



How Will Selection Criteria Be Used?

1

Separate NDCs into specialty and non-specialty prescription drugs

2

Aggregate NDCs by labeler code and generic name

3

Rank and weight **quantifiable** data measures and calculate a weighted rank for each labeler code and generic name

4

Create affordability review shortlists of the top 25 specialty and non-specialty labeler code and generic names with the lowest weighted rank

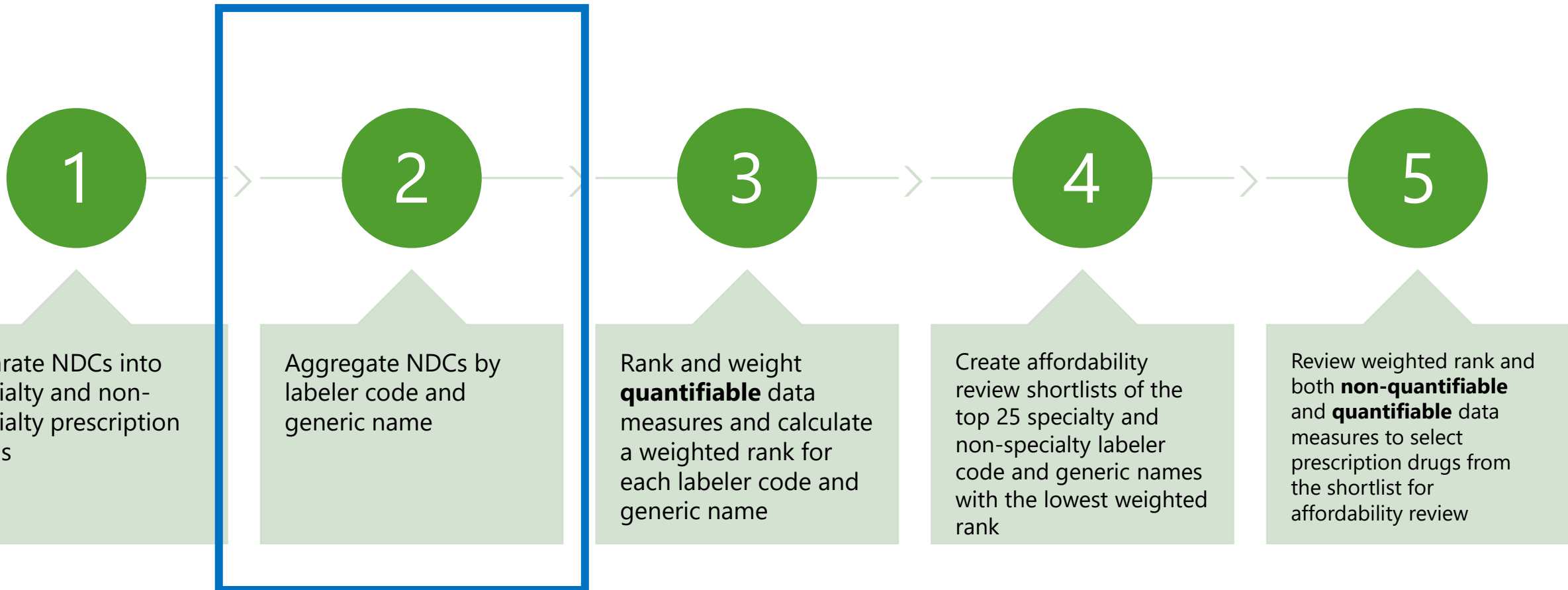
5

Review weighted rank and both **non-quantifiable** and **quantifiable** data measures to select prescription drugs from the shortlist for affordability review

Separating Specialty Prescription Drugs

- ▶ Specialty: medications that require special storage, handling, administration, or monitoring
- ▶ Biologic and biosimilar prescription drugs were flagged as specialty drugs, except those that were reclassified as biologics under the Biologics Price Competition and Innovation (BPCI) Act.
- ▶ Brand and generic prescription drugs were considered non-specialty drugs.

How Will Selection Criteria Be Used?



Aggregating by Labeler Code and Generic Name

- ▶ Labeler Code: the first 5 digits of the prescription drug's NDC, which uniquely identifies the company who manufactures and/or distributes the prescription drug
- ▶ Generic Name: description of the drug ingredient names in the ingredient list
- ▶ New change to 2026 methodology: aggregate by generic name only

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Review weighted rank and both **non-quantifiable** and **quantifiable** data measures to select prescription drugs from the shortlist for affordability review

Data Measure Ranking

- ▶ Each quantitative data measure is sorted in descending order and assigned rankings

Data Measure Ranking Example

Labeler Code and Generic Name	Average OOP Cost	Average OOP Cost Rank	Total OOP Cost	Total OOP Cost Rank	Total Paid Amount	Total Paid Amount Rank	Total # of People Using the Labeler Code and Generic Name	Total # of People Using the Labeler Code and Generic Name Rank
00001 A	\$427	1	\$5,000	2	\$10,000	5	356	2
00002 B	\$426	2	\$3,000	4	\$15,000	4	123	4
00003 C	\$384	3	\$2,500	5	\$40,000	2	84	5
00004 D	\$200	4	\$7,000	1	\$30,000	3	472	1
00005 E	\$104	5	\$4,500	3	\$60,000	1	210	3

Breaking Tied Rankings

- ▶ For tied rankings, the average ranking is assigned to each tied rank.
- ▶ Example:

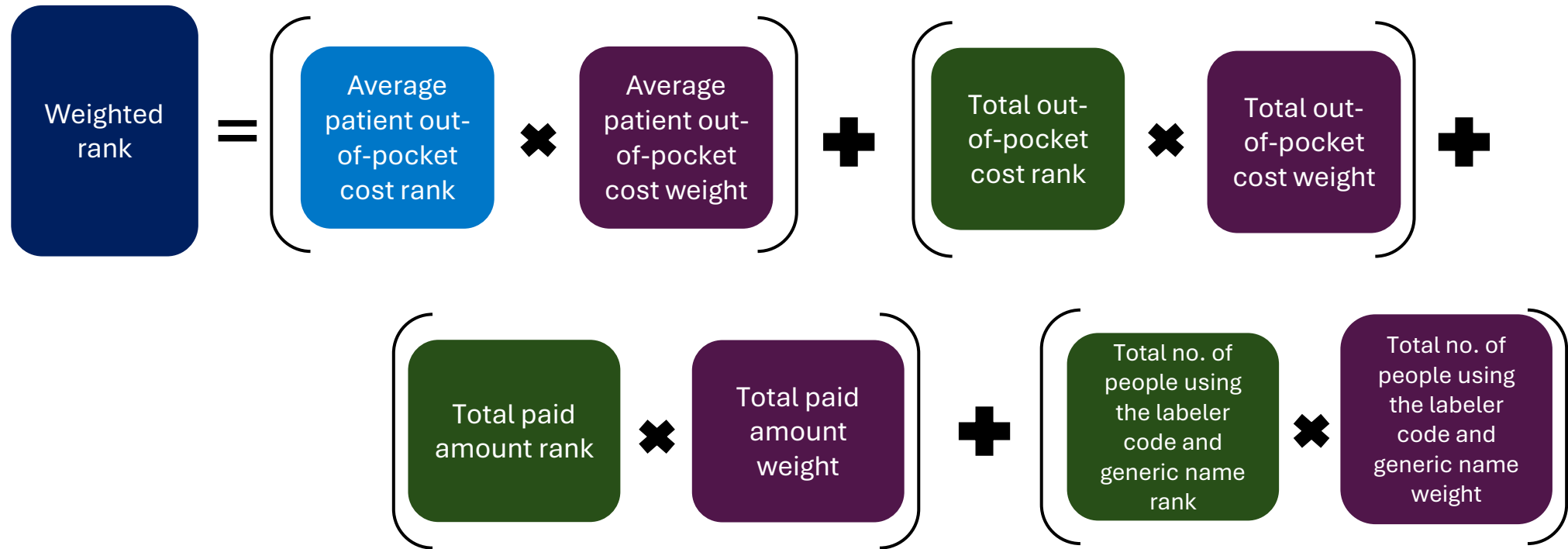
Labeler Code and Generic Name	Total Paid Amount	Total Paid Amount Rank
00001 A	\$4	1.0
00002 B	\$7	2.0
00003 C	\$12	3.5
00004 D	\$12	3.5
00005 E	\$19	5.0

- ▶ Labeler code and generic name 00003 C and 00004 D have the same total paid amount and were ranked in positions 3 and 4.
- ▶ The tied labeler code and generic names' final total paid amount rank is the average of their rankings: $(3+4)/2=3.5$

Board Member Points Allocations

Board Member	Average Out-of-Pocket Cost	Total Out-of-Pocket Cost	Total Paid Amount	Total Number of People Using the Drug	Total
1	7	13	0	0	20
2	5	7	5	3	20
3	2	5	8	5	20
4	5	0	10	5	20
5	0	10	10	0	20
Total	19	35	33	13	100
Weight (Total/100)	0.19	0.35	0.33	0.13	

Calculating Weighted Rank



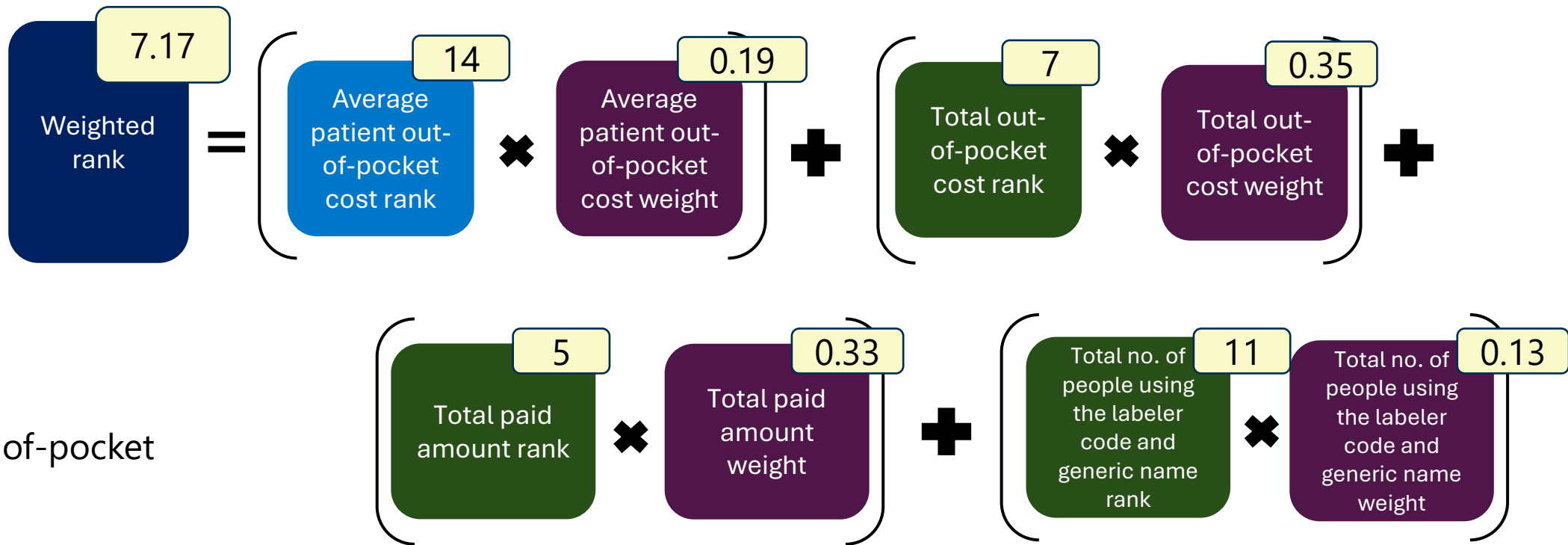
Calculating Weighted Rank

$$\text{Weighted rank} = \left(\text{Average patient out-of-pocket cost rank} \times 0.19 \right) + \left(\text{Total out-of-pocket cost rank} \times 0.35 \right) + \left(\text{Total paid amount rank} \times 0.33 \right) + \left(\text{Total no. of people using the labeler code and generic name rank} \times 0.13 \right)$$

Weighted Rank Example (2023 Example)

Labeler Code: 00078 Generic Name: fingolimod HCL

Average OOP Cost	Average OOP Cost Rank	Total OOP Cost	Total OOP Cost Rank	Total Paid Amount	Total Paid Amount Rank	Total # of People Using the Labeler Code and Generic Name	Total # of People Using the Labeler Code and Generic Name Rank
\$1,775.84	14	\$1,450,857.74	7	\$69,028,893.58	5	817	11



OOP: out-of-pocket

How Will Selection Criteria Be Used?

1

Separate NDCs into specialty and non-specialty prescription drugs

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Aggregate NDCs by labeler code and generic name

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Rank and weight **quantifiable** data measures and calculate a weighted rank for each labeler code and generic name



4

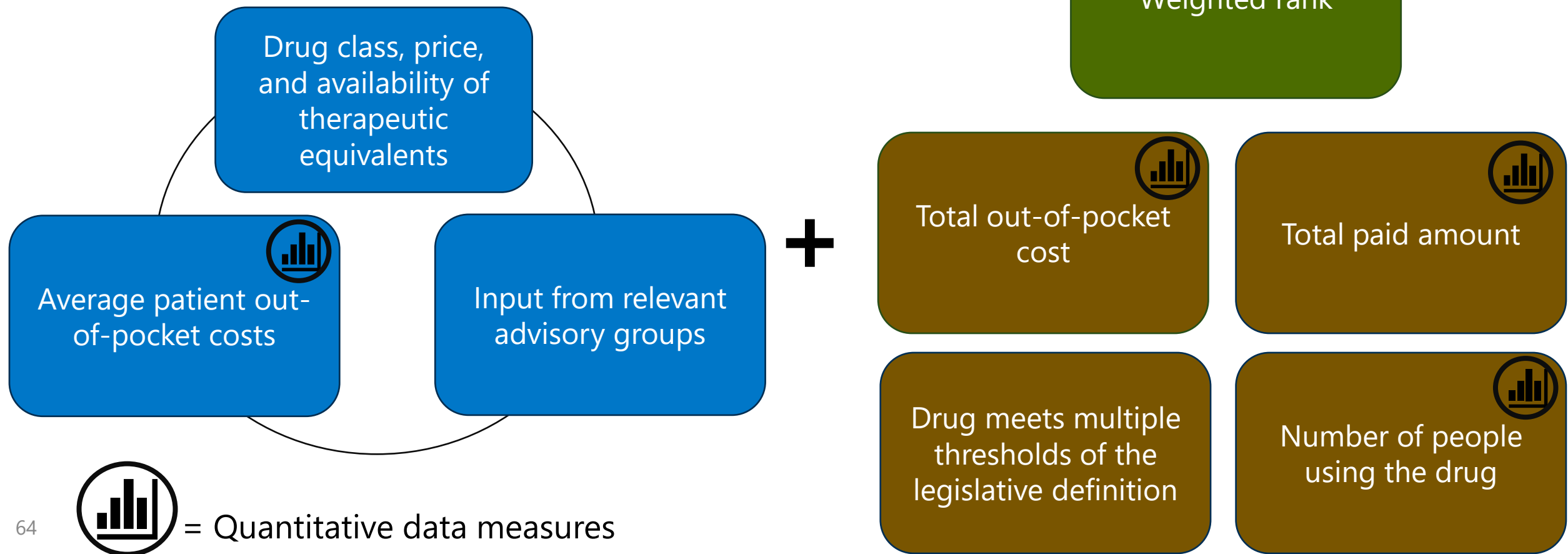
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Reviewing the Preliminary Affordability Review Shortlists

-  = Criteria required in RCW 70.405.040
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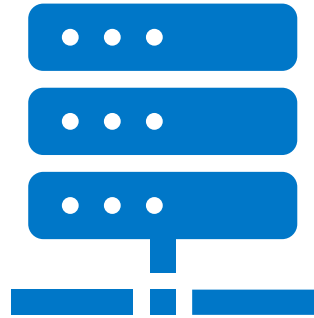


 = Quantitative data measures

Limitations

- ▶ No adjustments made for price inflation
- ▶ Data sources may not contain complete price history for NDC
- ▶ Cost of course of treatment based on the high dose of NDCs may not always reflect the amount most people are prescribed

Next Steps



Pull 2026 eligible drug list



Create affordability review shortlists

Discussion/Questions

Appendix

Interpretation of Bill Language

Term	Interpretation
Drug	<p>For purposes of identifying prescription drugs that meet criteria of RCW 70.405.030, each distinct National Drug Code (NDC) is defined as a separate drug.</p> <p>For purposes of affordability review, all NDCs from a single labeler or branded products, with the same drug ingredient will be included in the review</p>
Seven years on the market	The drug ingredient has been on the market as of 7/1/2019

Interpretation of Bill Language

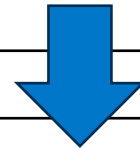
Term	Interpretation
Dispensed at a retail, specialty, or mail-order pharmacy	Using First Databank (FDB) provided indicators, exclude institutional products and products likely to be used by home healthcare providers
Not designated by the United States food and drug administration under 21 U.S.C. Sec. 360bb as a drug solely for the treatment of a rare disease or condition	Drug is in FDA maintained orphan drug database

Other Exclusions From Affordability Review

- ▶ Non-prescription drugs or medical devices as defined in the Federal Food, Drug, and Cosmetic Act (FDCA)
- ▶ Products that are neither drugs nor devices as defined in the FDCA
- ▶ Medical devices, bulk products and healthcare supplies
- ▶ NDCs obsolete as of 7/1/2026
- ▶ NDCs expired or withdrawn (with the exception of reference biologics, who can be expired or withdrawn as long as their biosimilar is not) as of 7/1/2026

Aggregating by Labeler Code and Generic Name Example (2023 Example)

NDC	Label Name	Generic Name	No. of People Using the Drug	Total OOP Cost	Avg OOP Cost	Total Paid Amt
00003218811	ORENCIA 125 MG/ML SYRINGE	abatacept	520	\$560,124.71	\$1,077.16	\$19,344,439.42
00003218851	ORENCIA CLICKJECT 125 MG/ML	abatacept	1,109	\$1,052,105.24	\$948.70	\$38,890,351.75



Labeler Code	Generic Name	No. of People Using the Labeler Code and Generic Name	Total OOP Cost	Avg OOP Cost	Total Paid Amt
00003	abatacept	1,585	\$1,612,229.95	\$1,017.18	\$58,234,791.17