Selecting Prescription Drugs for Affordability Review: Methodology and Results

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Overview

Brief overview of RCW 70.405.040: Affordability Reviews
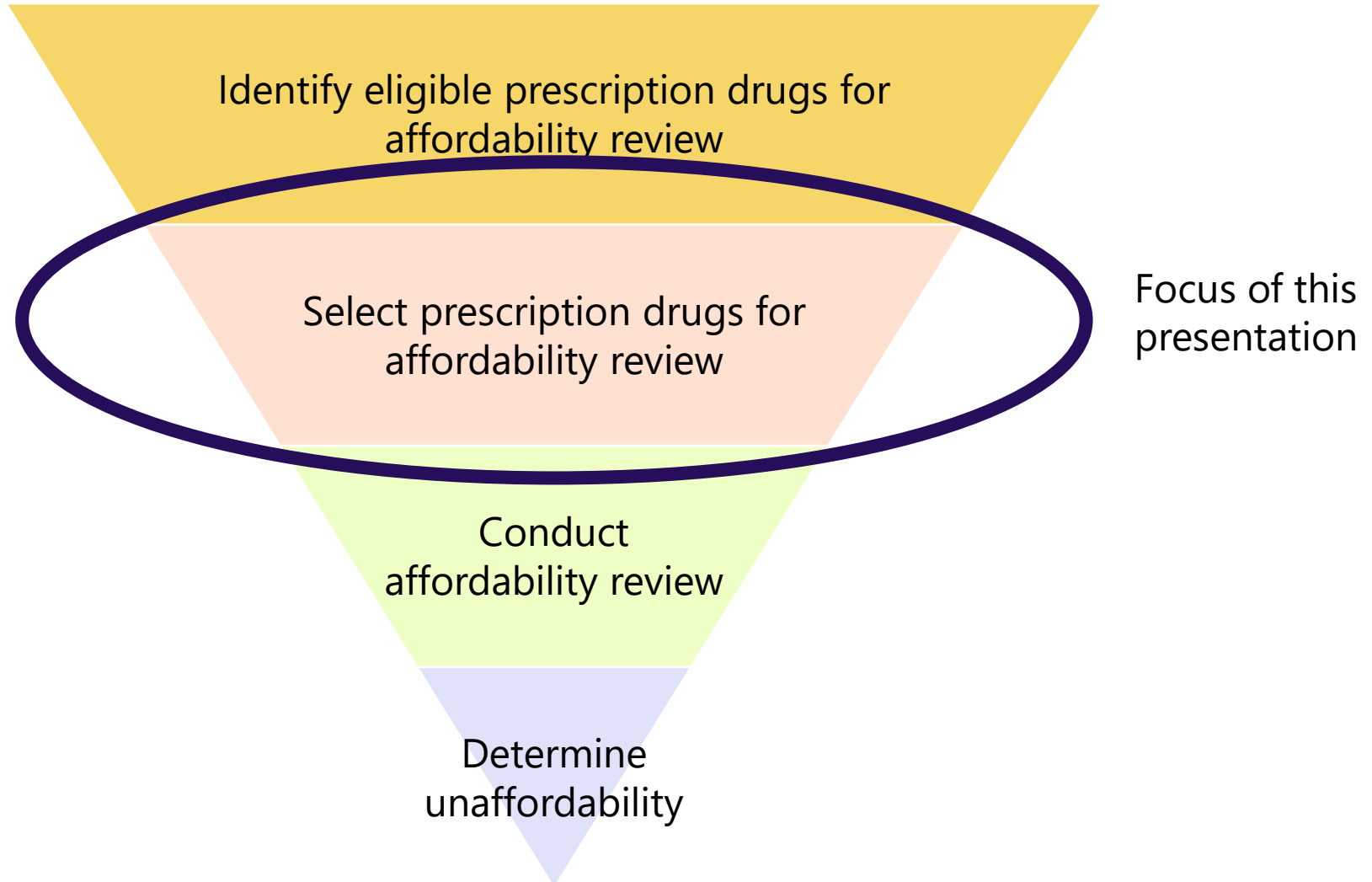
Data measures used for affordability review selection

Creating shortlist of top 25 prescription drugs for affordability review

Next steps and Q&A

Overview

Identify eligible prescription drugs for affordability review

Select prescription drugs for affordability review

Conduct affordability review

Determine unaffordability

Focus of this presentation

Brief Overview of RCW 70.405.040: Affordability Reviews
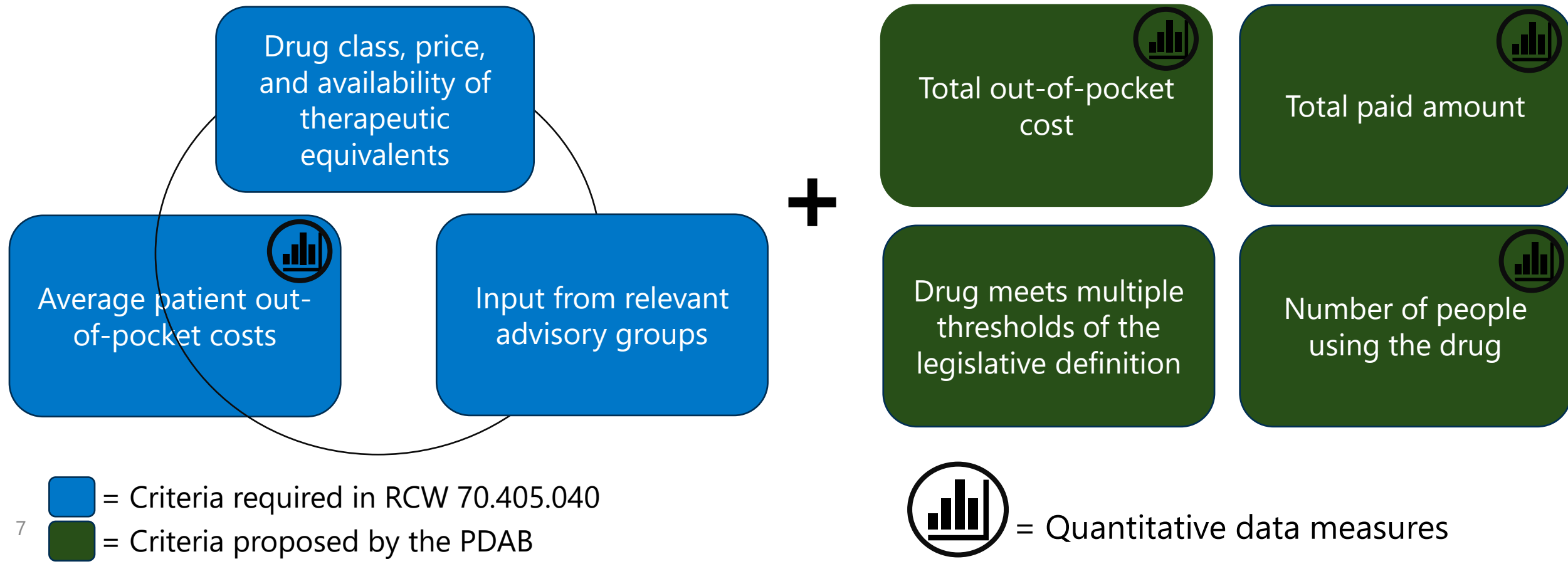
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Deciding Whether to Conduct a Review

- 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 Measures for Affordability Review Selection

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Affordability Review Selection Criteria

The Board shall consider:

Drug class, price, and availability of therapeutic equivalents

Average patient out-of-pocket costs

Input from relevant advisory groups

+

Total out-of-pocket cost

Total paid amount

Drug meets multiple thresholds of the legislative definition

Number of people using the drug

■ = Criteria required in RCW 70.405.040

■ = Criteria proposed by the PDAB

= Quantitative data measures

Creating the Shortlist of Prescription Drugs for Affordability Review

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How Will Selection Criteria Be Used?

1

Rank and weight **quantifiable** data measures and calculate a weighted rank for each prescription drug

2

Create an affordability review shortlist consisting of the top 25 prescription drugs with the lowest weighted rank

3

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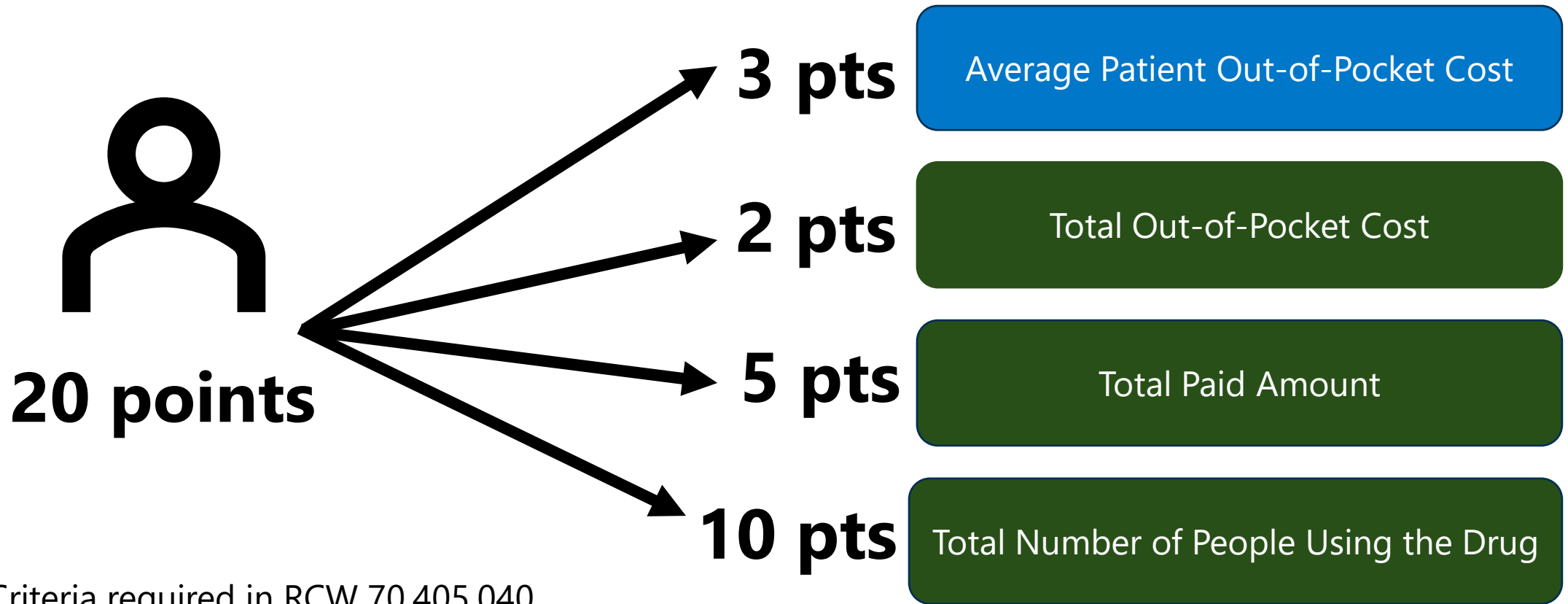
Ranking and Weighting Methodology

1. Data measure prioritization exercise to create weights

2. Separate eligible prescription drugs into two lists by specialty and non-specialty drugs

3. Sort and rank within each quantitative data measure for each list (specialty and non-specialty)

4. For each prescription drug, sum the rank for each data measure multiplied by the weight for the data measure to compute the weighted rank

Data Measure Prioritization and Weighting

- Each board member has 20 points (totaling 100 points across the board members) to allocate among the four quantitative data measures
- The more points allocated to a data measure, the more important it is to the board member
- Weights are created for each data measure by summing the allocated points for each data measure

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Data Measure Prioritization Example

20 points

3 pts — Average Patient Out-of-Pocket Cost

2 pts — Total Out-of-Pocket Cost

5 pts — Total Paid Amount

10 pts — Total Number of People Using the Drug

■ = Criteria required in RCW 70.405.040

■ = Criteria proposed by the PDAB

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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	0	15	0	5	20
2	5	7	5	3	20
3	0	5	10	5	20
4	0	10	10	0	20
5	0	10	10	0	20
Total	5	47	35	13	100
Weight (Total/100)	0.05	0.47	0.35	0.13	

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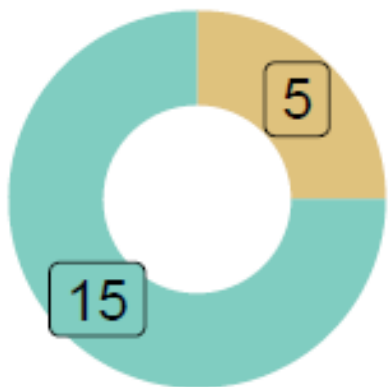
Data Measure Points Allocations

Overall
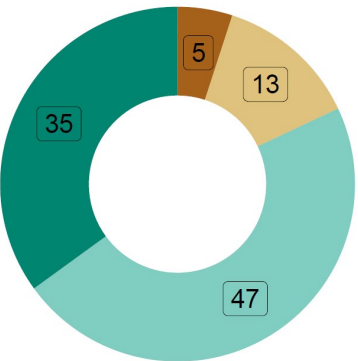
OOP: out-of-pocket

Data Measure
- Average OOP Cost
- Total Number of People Using the Drug
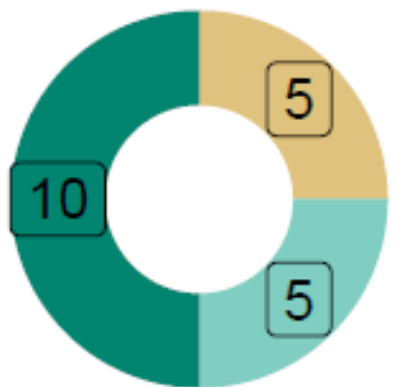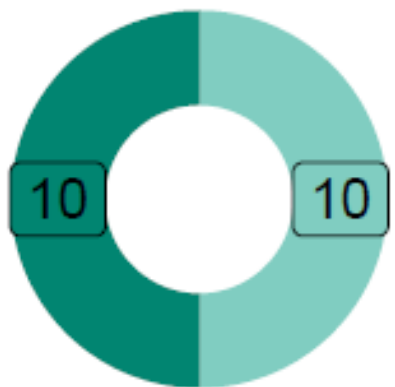- Total OOP Cost
- Total Paid Amount

Board member 1

Board member 2

Board member 3

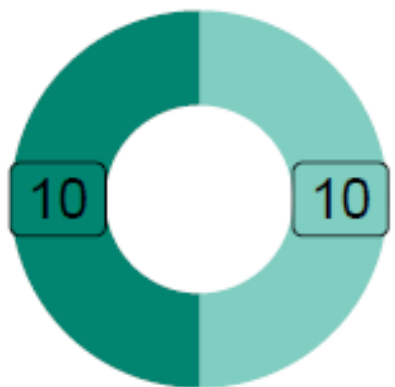Board member 4

Board member 5

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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 (59 prescription drugs identified as specialty)

- Brand and generic prescription drugs were considered non-specialty drugs (248 prescription drugs identified as non-specialty)

Data Measure Ranking

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

Data Measure Ranking Example

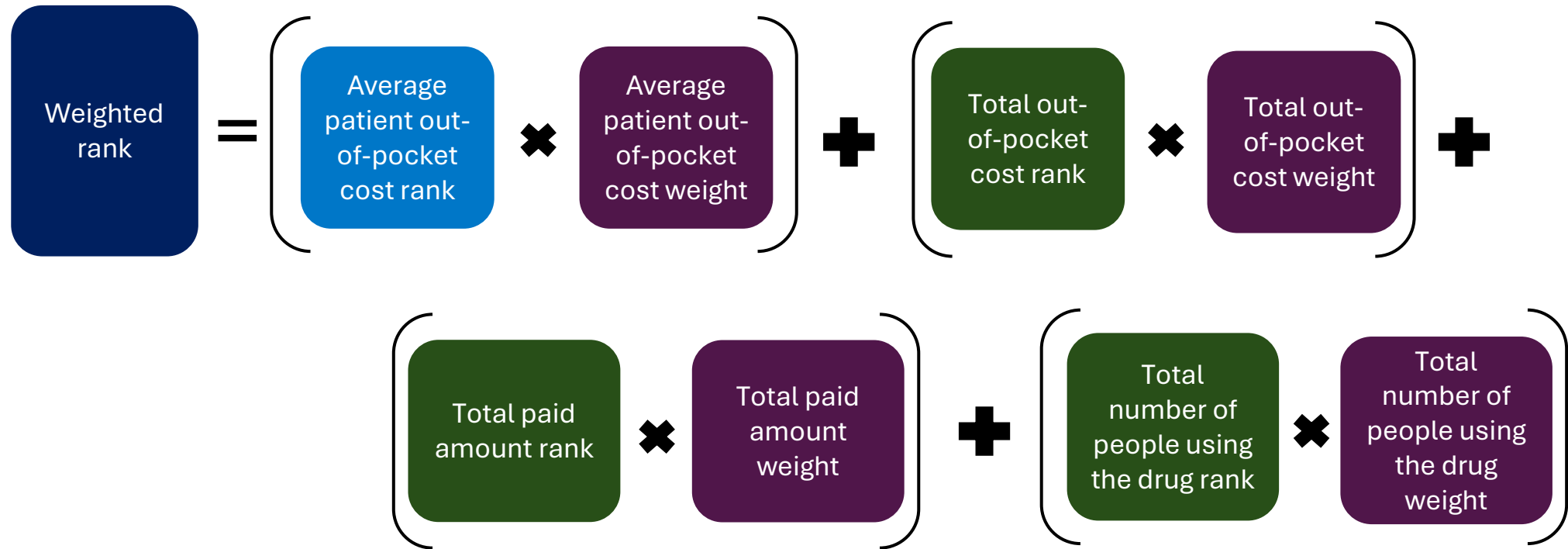| Drug	Average OOP Cost	Average OOP Cost Rank	Total OOP Cost	Total OOP Cost Rank	Total Paid Amount	Total Paid Amount Rank	Total # of People Using the Drug	Total # of People Using the Drug Rank
A	$427	1	$5,000	2	$10,000	5	356	2
B	$426	2	$3,000	4	$15,000	4	123	4
C	$384	3	$2,500	5	$40,000	2	84	5
D	$200	4	$7,000	1	$30,000	3	472	1
E	$104	5	$4,500	3	$60,000	1	210	3

OOP: out-of-pocket

Breaking Tied Rankings

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

Drug	Total Paid Amount	Total Paid Amount Rank
A	$4	1.0
B	$7	2.0
C	$12	3.5
D	$12	3.5
E	$19	5.0

- Drugs C and D have the same Total Paid Amount and were ranked in positions 3 and 4.
- The tied drugs' final total paid amount rank is the average of their rankings: (3+4)/2=3.5

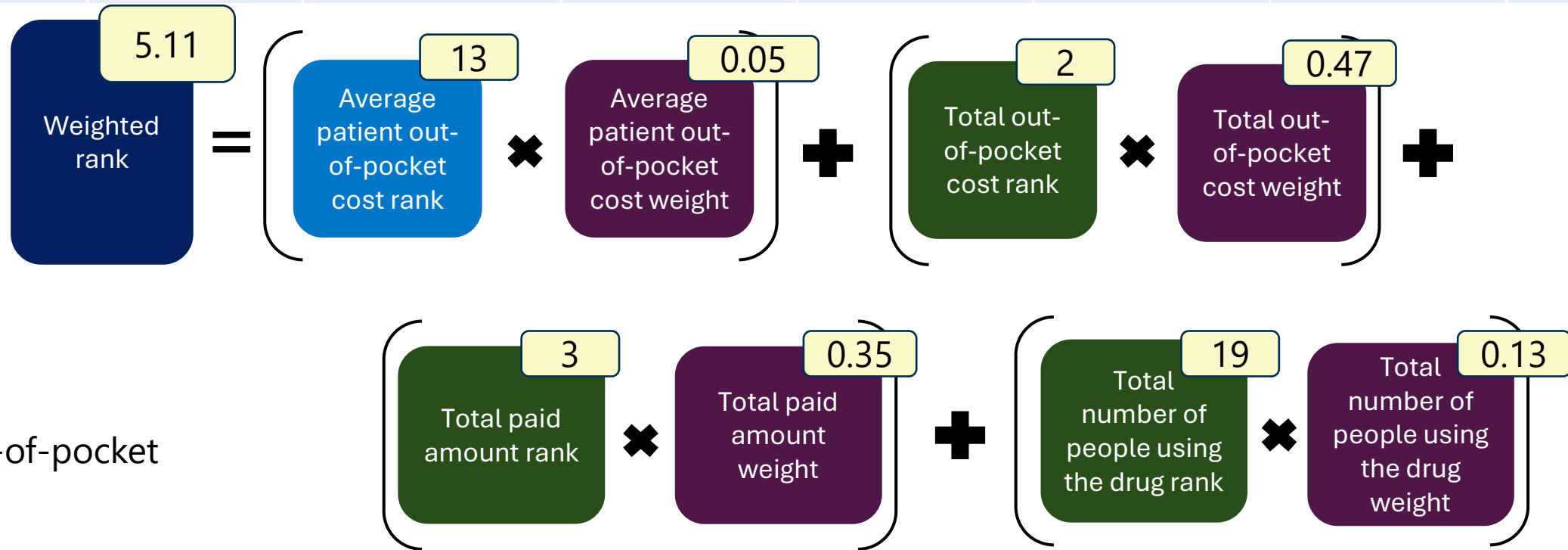# Calculating Weighted Rank

Calculating Weighted Rank

Weighted rank $=$

$$\left[\text{Average patient out-of-pocket cost rank} \times .05 \right] +$$

$$\left[\text{Total out-of-pocket cost rank} \times 0.47 \right] + \left[\text{Total paid amount rank} \times 0.35 \right] + \left[\text{Total number of people using the drug rank} \times 0.13 \right]$$

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Data Measure Ranking Example

Drug	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 Drug	Total # of People Using the Drug Rank	
A	$427	1 ✖	0.05	$5,000	2 ✖	0.47	$10,000	5 ✖	0.35	356	2 ✖	0.13
B	$426	2 ✖	0.05	$3,000	4 ✖	0.47	$15,000	4 ✖	0.35	123	4 ✖	0.13
C	$384	3 ✖	0.05	$2,500	5 ✖	0.47	$40,000	2 ✖	0.35	84	5 ✖	0.13
D	$200	4 ✖	0.05	$7,000	1 ✖	0.47	$30,000	3 ✖	0.35	472	1 ✖	0.13
E	$104	5 ✖	0.05	$4,500	3 ✖	0.47	$60,000	1 ✖	0.35	210	3 ✖	0.13

OOP: out-of-pocket

Weighted Rank Example: Xtandi 40 MG Capsule (NDC: 00469012599)

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 Drug	Total # of People Using the Drug Rank
$3137.76	13	$4,869,808.86	2	$137,278,473	3	1552	19

Weighted rank = **5.11**

(Average patient out-of-pocket cost rank = **13**) × (Average patient out-of-pocket cost weight = **0.05**) + (Total out-of-pocket cost rank = **2**) × (Total out-of-pocket cost weight = **0.47**) +

(Total paid amount rank = **3**) × (Total paid amount weight = **0.35**) + (Total number of people using the drug rank = **19**) × (Total number of people using the drug weight = **0.13**)

OOP: out-of-pocket

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Reviewing the Preliminary Affordability Review Shortlist

■ = Criteria required in RCW 70.405.040

■ = Criteria proposed by the PDAB

Drug class, price, and availability of therapeutic equivalents

Average patient out-of-pocket costs

Input from relevant advisory groups

+

Weighted rank

Total out-of-pocket cost

Total paid amount

Drug meets multiple thresholds of the legislative definition

Number of people using the drug

= Quantitative data measures
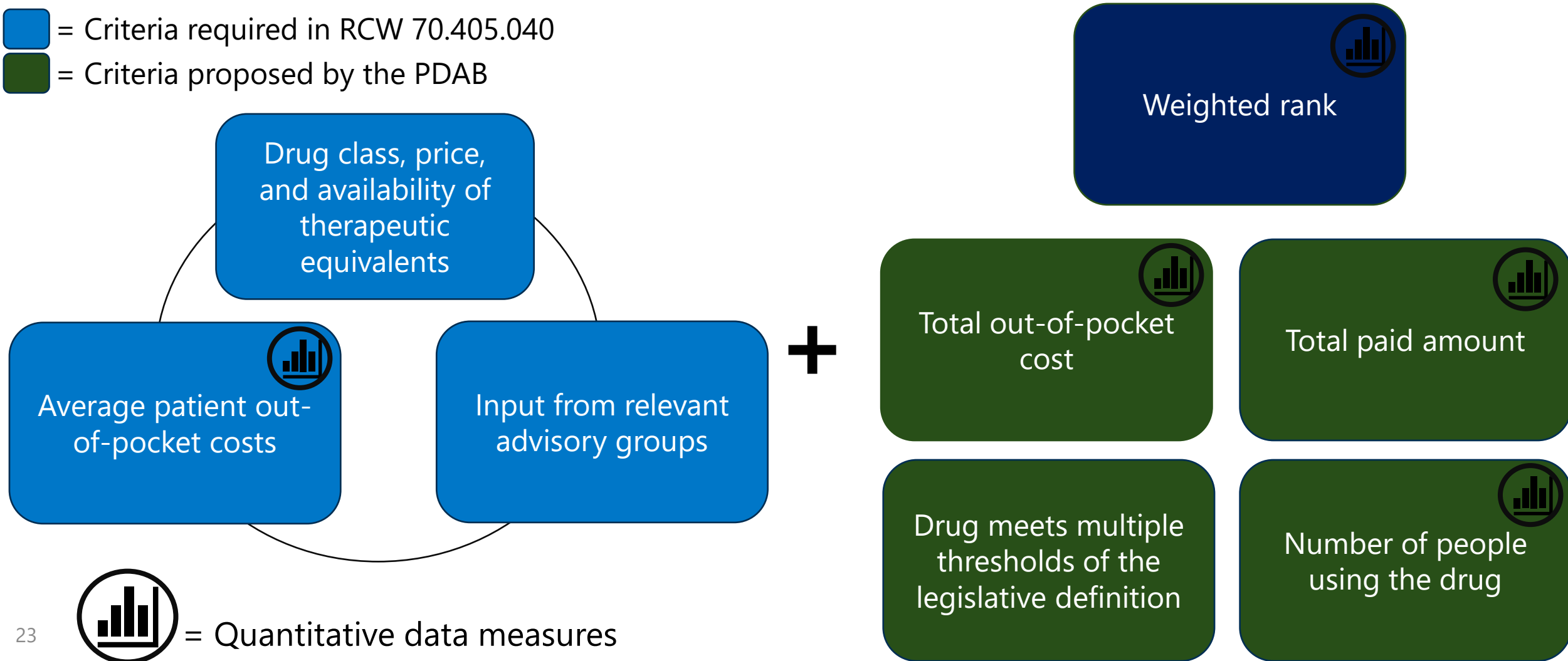
Preliminary Affordability Review Shortlist: Specialty Drugs

Rank	NDC	Label Name	Generic Name
1	58406003204	ENBREL 50 MG/ML SURECLICK	etanercept
2	00074433902	HUMIRA PEN 40 MG/0.8 ML	adalimumab
3	58406002104	ENBREL 50 MG/ML SYRINGE	etanercept
4	00002144511	TALTZ 80 MG/ML AUTOINJECTOR	ixekizumab
5	50474071079	CIMZIA 2X200 MG/ML SYRINGE KIT	certolizumab pegol
6	00003218851	ORENCIA CLICKJECT 125 MG/ML	abatacept
7	00003218811	ORENCIA 125 MG/ML SYRINGE	abatacept
8	57894007002	SIMPONI 50 MG/0.5 ML PEN INJEC	golimumab
9	50242013801	ACTEMRA 162 MG/0.9 ML SYRINGE	tocilizumab
10	58406004404	ENBREL 50 MG/ML MINI CARTRIDGE	etanercept
11	58406001004	ENBREL 25 MG/0.5 ML SYRINGE	etanercept
12	00002144527	TALTZ 80 MG/ML AUTOINJ (2-PK)	ixekizumab
13	57894007102	SIMPONI 100 MG/ML PEN INJECTOR	golimumab
14	00002772411	TALTZ 80 MG/ML SYRINGE	ixekizumab
15	00002144509	TALTZ 80 MG/ML AUTOINJ (3-PK)	ixekizumab
16	66658023407	KINERET 100 MG/0.67 ML SYRINGE	anakinra
17	57894007001	SIMPONI 50 MG/0.5 ML SYRINGE	golimumab
18	58406005504	ENBREL 25 MG/0.5 ML VIAL	etanercept
19	50474071081	CIMZIA 2X200 MG/ML(X3)START KT	certolizumab pegol
20	00173088101	NUCALA 100 MG/ML POWDER VIAL	mepolizumab
21	64406001101	PLEGRIDY 125 MCG/0.5 ML PEN	peginterferon beta-1a
22	00074433906	HUMIRA PEN CROHN-UC-HS 40 MG	adalimumab
23	55513019201	NEULASTA ONPRO 6 MG/0.6 ML KIT	pegfilgrastim
24	73604091404	ARCALYST 220 MG VIAL	rilonacept
25	64406001501	PLEGRIDY 125 MCG/0.5 ML SYRING	peginterferon beta-1a

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Preliminary Affordability Review Shortlist: Non-Specialty Drugs

Rank	NDC	Label Name	Generic Name
1	00469012599	XTANDI 40 MG CAPSULE	enzalutamide
2	42388002526	CABOMETYX 40 MG TABLET	cabozantinib s-malate
3	00069050130	XELJANZ XR 11 MG TABLET	tofacitinib citrate
4	61958220101	EPCLUSA 400 MG-100 MG TABLET	sofosbuvir/velpatasvir
5	00078060715	GILENYA 0.5 MG CAPSULE	fingolimod HCl
6	42388002426	CABOMETYX 20 MG TABLET	cabozantinib s-malate
7	58468021004	AUBAGIO 14 MG TABLET	teriflunomide
8	00069015111	INLYTA 5 MG TABLET	axitinib
9	00069100101	XELJANZ 5 MG TABLET	tofacitinib citrate
10	64406000602	TECFIDERA DR 240 MG CAPSULE	dimethyl fumarate
11	00069014501	INLYTA 1 MG TABLET	axitinib
12	42388002326	CABOMETYX 60 MG TABLET	cabozantinib s-malate
13	00078068615	PROMACTA 50 MG TABLET	eltrombopag olamine
14	00078068166	TAFINLAR 75 MG CAPSULE	dabrafenib mesylate
15	62856072030	LENVIMA 20 MG DAILY DOSE	lenvatinib mesylate
16	62856071430	LENVIMA 14 MG DAILY DOSE	lenvatinib mesylate
17	62856071030	LENVIMA 10 MG DAILY DOSE	lenvatinib mesylate
18	00078068715	PROMACTA 75 MG TABLET	eltrombopag olamine
19	63004871001	ACTHAR GEL 400 UNIT/5 ML VIAL	corticotropin
20	50242014001	ERIVEDGE 150 MG CAPSULE	vismodegib
21	62856070830	LENVIMA 8 MG DAILY DOSE	lenvatinib mesylate
22	00078068515	PROMACTA 25 MG TABLET	eltrombopag olamine
23	62856071830	LENVIMA 18 MG DAILY DOSE	lenvatinib mesylate
24	61958180101	HARVONI 90-400 MG TABLET	ledipasvir/sofosbuvir
25	49502025175	SEMGLEE (YFGN) 100 UNIT/ML PEN	insulin glargine-yfgn

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Drugs Selected for Affordability Reviews By Other PDABs

|	Colorado	Maryland	Oregon
1	**Cosentyx** (secukinumab)	**Dupixent** (dupilumab)	**Cosentyx** (secukinumab)
2	**Enbrel** (etanercept) ⭐	**Farxiga** (dapagliflozin)	**Entyvio** (vedolizumab)
3	**Genvoya** (elvitegravir, cobicistat, emtricitabine, and tenofovir alafenamide)	**Jardiance** (empagliflozin)	**Genvoya** (elvitegravir, cobicistat, emtricitabine, and tenofovir alafenamide)
4	**Stelara** (ustekinumab)	**Ozempic** (semaglutide)	**Inflectra** (infliximab-dyyb)
5	**Trikafta** (elexacaftor/tezacaftor/ivacaftor; ivacaftor)	**Skyrizi** (risankizumab)	**Ocrevus** (ocrelizumab)
6		**Trulicity** (dulaglutide)	**Rybelsus/Ozempic** (semaglutide)
7			**Shingrix Zoster Vaccine Recombinant Adjuvanted**
8			**Skyrizi/Skyrizi Pen** (risankizumab)
9			**Tremfya** (guselkumab)
10			**Triumeq/Triumeq PD** (abacavir/dolutegravir/lamivudine)
11			**Trulicity** (dulaglutide)
12			**Vyvanse** (lisdexamfetamine dimesylate)

⭐ = On WA PDAB's affordability review shortlist

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Drugs Selected for Affordability Reviews by Other PDABs

	Colorado	Maryland	Oregon
13			**Tresiba** (insulin degludec)
14			**Tresiba FlexTouch** (insulin degludec)
15			**Humulin R U-500 KwikPen** (insulin regular)

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Next Steps
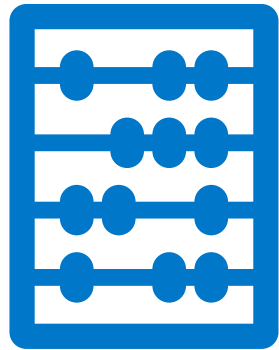
Review shortlist of top 25 prescription drugs eligible for affordability review

Select prescription drugs for review from shortlist

Discussion and Questions

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Appendix

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Affordability Review Data Sources

Data Source	Definition
Medi-Span	A commercial database containing drug pricing and clinical information for drugs approved by the US Food and Drug Administration (FDA).
First Databank (FDB)	A commercial database containing drug pricing and clinical information for drugs approved by the US Food and Drug Administration (FDA).
Washington State All Payer Claims Database (WA-APCD)	Washington state's most complete source of health and dental insurance data, representing about 70% of the state's population, or over 5 million people. All health carriers in Washington state are required to report their data to the APCD, as well as state Medicaid plans, public employee benefit plans (PEBB), school employee benefit plans (SEBB), third party administrators, and the Washington state labor and industries program. Self-insured commercial plans are not required to report data to WA-APCD. WA-APCD does not contain data for the uninsured population.

Affordability Review Selection Criteria Total Out-of-Pocket Cost

Criterion	Definition	Data Field	Data Source	Methodology	Criterion Type
Total Out-of-Pocket Cost	Dollar amount showing patient paid amounts for the prescription drug. Patient paid amounts include deductibles, coinsurance, and copayments within one year.	Dollar amount	WA-APCD	Sum of total copay, coinsurance, and deductible amounts paid by patients for the prescription drug in calendar year 2022.

Formula: Total copay amount + Total coinsurance amount + Total deductible amount | Quantifiable |

Affordability Review Selection Criteria: Total Paid Amount

Criterion	Definition	Data Field	Data Source	Methodology	Criterion Type
Total Paid Amount	Dollar amount showing the total amount paid by health plans and patients for each prescription drug within one year.	Dollar amount	WA-APCD	Total amount paid by health plan and patients for the prescription drug in calendar year 2022 Formula: Total out-of-pocket cost + Total plan paid amount	Quantifiable

Affordability Review Selection Criteria: Number of People Using the Prescription Drug

Criterion	Definition	Data Field	Data Source	Methodology	Criterion Type
Number of People Using the Prescription Drug	The number of patients who had a claim for the prescription drug within one year.	Number	WA-APCD	The count of distinct patients who had a claim for the prescription drug in calendar year 2022.	Quantifiable

Affordability Review Selection Criteria: Therapeutic Equivalent Availability

Criterion	Definition	Data Field	Data Source	Methodology	Criterion Type
Therapeutic Equivalent Availability	Therapeutic equivalence is based on the definition of therapeutic equivalence from section 69.41.110 RCW: a drug product of the identical base or salt as the specific drug product prescribed with essentially the same efficacy and toxicity when administered to an individual in the same dosage regimen.	Text (Yes/No)	First Databank (FDB)	Retrieve a list of therapeutically equivalent products from the FDB, whose data is based on the FDA Orange Book. If the biological product has a biosimilar, it is also considered as having a therapeutic equivalent based on the section 69.41.110 RCW definition.	Not quantifiable

Affordability Review Selection Criteria: Generic Availability

Criterion	Definition	Data Field	Data Source	Methodology	Criterion Type
Generic Availability	The brand name prescription drug has an FDA-approved drug that is chemically identical or bioequivalent to the brand name drug in dosage form, safety, strength, route of administration, quality, performance characteristics, and intended use.	Text (Yes/No)	First Databank (FDB), Medi-Span	Link generic prescription drugs to their brand counterparts utilizing their shared unique clinical formulation identifier.	Not quantifiable

Affordability Review Selection Criteria: If The Prescription Drug Meets Multiple Legislative Thresholds

Criterion	Definition	Data Field	Data Source	Methodology	Criterion Type
If the Prescription Drug Meets Multiple Legislative Thresholds	Whether the prescription drug in the list of eligible prescription drugs for affordability review meets multiple selection criteria set forth in section 70.405.030 RCW	Number	List of eligible prescription drugs for affordability review	The prescription drug meets multiple selection criteria set forth in section 70.405.030 RCW	Not quantifiable

Affordability Review Selection Criteria: Input From Relevant Advisory Groups

Criterion	Definition	Data Field	Data Source	Methodology	Criterion Type
Input From the Washington State PDAB Advisory Group (yet to be collected)	The Washington state PDAB advisory group will view the prescription drugs on the affordability review shortlist and give feedback on what prescription drugs should be selected for review.	Text	Washington state PDAB advisory group members	Feedback will be collected from Washington state PDAB advisory group members	Not quantifiable