Value of Care Coalition

May 8, 2024

The Honorable Susan Donovan
Chair
House Health and Human Services Committee
Rhode Island House of Representatives
83 Smith Street
Providence, RI 02903

RE: OPPOSITION TO H 8220 – Rhode Island Drug Cost Review Commission

Chair Donovan and members of the Committee:

As a broad coalition of advocacy organizations representing patients, caregivers and health care providers, we write to express opposition to H 8220. This bill creates the Drug Cost Review Commission (DCR) to assess the value of prescription drugs taken by Rhode Islanders relative to their cost to payors, and allows as its only cost-saving action the implementation of a state-mandated reimbursement level, commonly referred to as an upper payment limit.

Though we applaud the General Assembly's efforts to control health care costs, this approach may restrict patients' access to needed treatments while offering no savings to patients themselves. H 8220, like other drug affordability review boards, has several significant shortcomings.

Patient Care Requires Individual Treatment

As justification for creation of the Drug Cost Review Commission and rate-setting authority, H 8220 compares health care to public services and utilities such as gas, electricity and water. This comparison highlights a significant lack of understanding regarding patient care. Whereas utilities are received in a standardized way by the citizens of the state and each citizen needs the same type of each product, health care outcomes are often determined by each patients' individual health needs.

Upon diagnosis, patients often work with their doctors over a period of time to determine the medication that will work best for them, taking into account comorbidities, side effects and interactions with other drugs the patient may be taking. Unlike gas, electricity and water, the drug that works for one Rhode Islander may not be the best fit for another.

Health care policy should not be compared to a one-size-fits-all utility. Rather, lawmakers should consider ways to improve patient outcomes without limiting access to treatment.

Commission Lacks Patient Representation

Value should be determined by those who know the true impact of a drug – the patients who need it and the clinicians who prescribe it. Yet H 8220 creates a commission of appointees, allowing – but not requiring – clinical experience as one qualification for commission membership. The patient perspective is not represented within the decision-making body.

The bill would also establish a 13-member advisory board to advise the commission on drug cost issues. This allows for input from various stakeholders including politicians or their staff and state entities but holds open only two seats for patients or consumers and two seats for health care providers. Further, H 8220 allows the public to request the commission perform a cost review but does not require the commission to seek input from the public as part of its review or reimbursement-setting nor outline a process for doing so.

In practice, between the commission and the advisory board, the real-life health care perspectives of clinicians and patients will be vastly overshadowed by economists, academics, payors and politicians despite the fact that actions taken by the commission could have life-changing consequences for Rhode Islanders.

Patient Savings Aren't Guaranteed

H 8220 grants the commission the power to set a reimbursement rate, often referred to as an upper payment limit, for prescription drugs.

But patients pay the amount their health plan dictates. And payers are not required to pass any potential savings along to their enrollees. So, even if H 8220 lowers topline prices, this does not reduce out-of-pocket costs for patients.

For legislation to lower patient costs, it must address benefit design and out-of-pocket expenses rather than imposing upper payment limits.

Patients Access May Decrease

Negotiations between pharmacy benefit managers and manufacturers play a significant role in formulary development and medicine placement, determining which treatments patients can access.

A government-imposed price can create distortions in the market that reduce access to certain drugs, which in turn can harm patients. Diseases may progress, symptoms can recur, and new

side effects from different treatments can emerge. This can lead to missed work, recurring doctor visits, trips to the emergency room and hospitalizations. With a narrow focus on regulating prices paid by health plans, H 8220 risks Rhode Islanders losing access to the treatments they need.

Metrics Used to Assess Value Often Exacerbate Health Equity Concerns

Value assessments for prescription medications often rely on metrics that are biased against certain patient populations. One example is the cost-per-quality adjusted life year, or QALY. Federal law prohibits certain federal programs from using QALY thresholds to determine coverage.

H 8220, however, does not prohibit metrics like the QALY, exposing Rhode Islanders to the potential for widening health inequities and unequal health care.

Conclusion

Prescription drug affordability boards like the Drug Cost Review Commission take a narrow view of the true cost of health care. H 8220 takes a similarly narrow perspective. In laying the groundwork for upper payment limits, the bill ignores critical elements of health care cost and access. It ignores major costs added to the drug supply chain by middlemen like pharmacy benefit managers, insurers and wholesalers. And it ignores the costs of health plan delays or denials, which lead to additional doctor appointments, hospital visits and missed work.

Lowering health care costs is a laudable goal. However, government-imposed reimbursement rates, like upper price limits, as outlined in H 8220 present a broad threat to patient access and exacerbate disparities in health care, while providing no accountability and ensuring no savings for patients. For those reasons, we ask you to oppose H 8220.

EPILEPSY FOUNDATION New England

MHA RI Mental Health Association of Rhode Island An Affiliate of Mental Health America SINCE 1916

NAMI National Alliance on Mental Illness Rhode Island

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AfPA Alliance for Patient Access

AiARTHRITIS

American College of Allergy, Asthma & Immunology

The Bonnell Foundation: Living with Cystic Fibrosis
Live • Breathe • Inspire
Roadmap to CF™ | thebonnellfoundation.org

CSRO Coalition of State Rheumatology Organizations

The Headache & Migraine Policy Forum

Lupus and Allied Diseases Association, Inc.

NICA National Infusion Center Association

Patients Rising