Selecting Prescription Drugs for Affordability Review: Methodology and Results

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Overview

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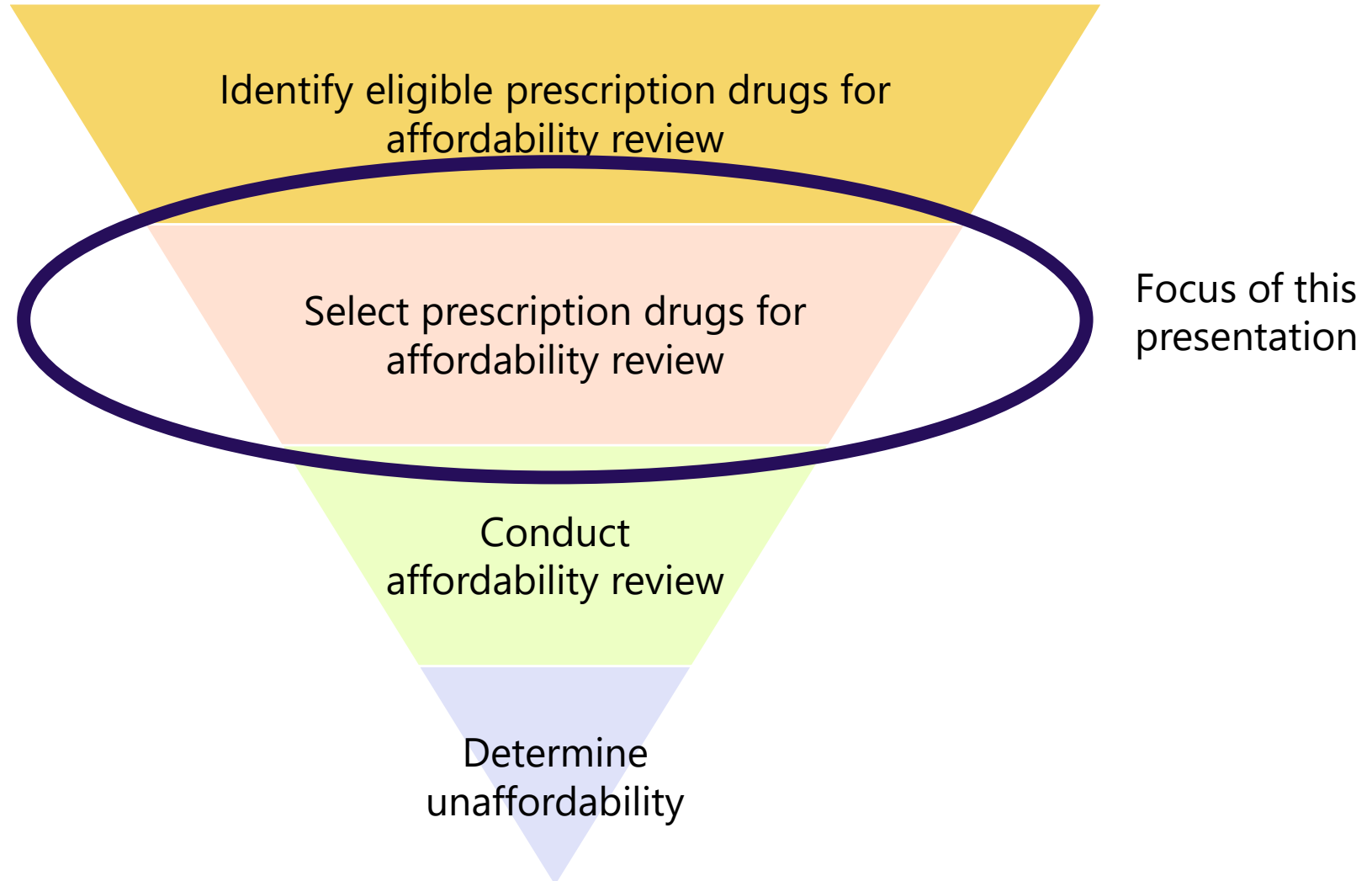
Data measures used for affordability review selection

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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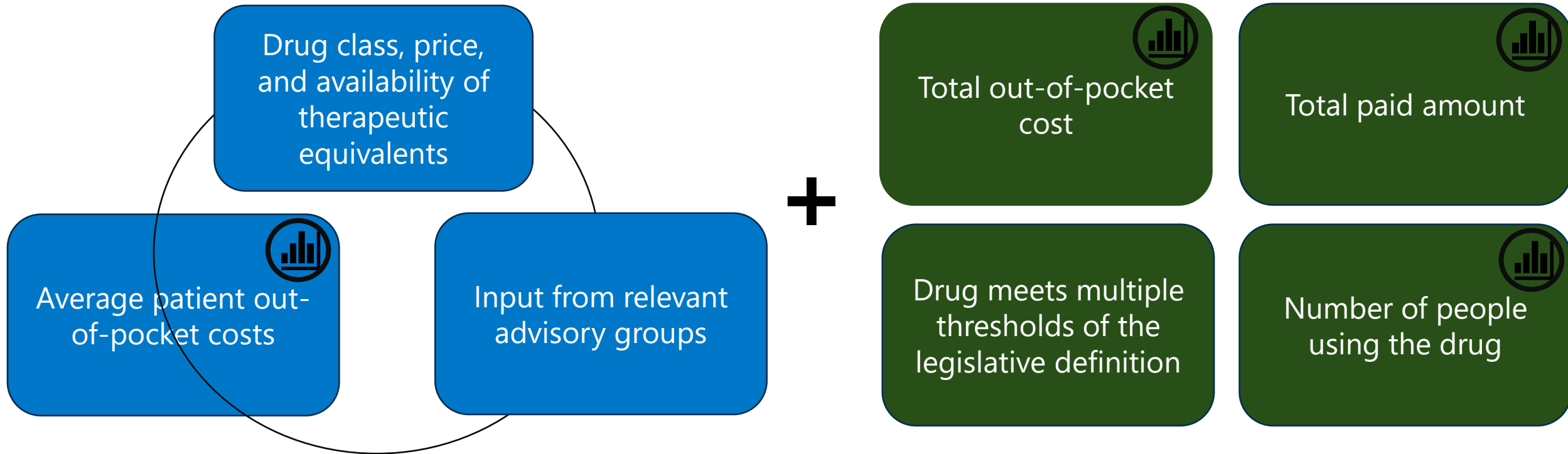Health Care Authority

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

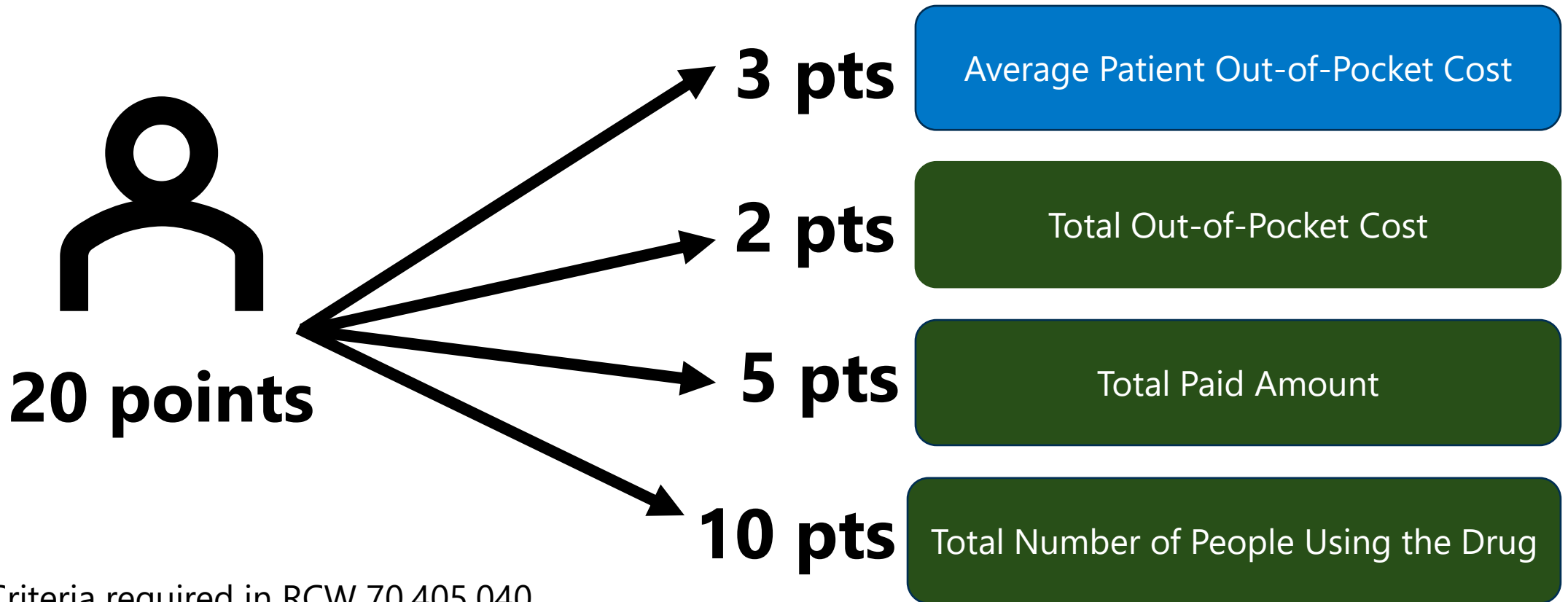# Ranking and Weighting Methodology

1. Data measure prioritization exercise to create weights

2. Sort and rank within each quantitative data measure

3. 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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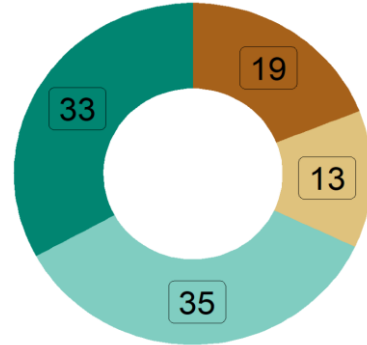
Board Member Points Allocations

Board Member	Average Out-of-Pocket Cost	Total Out-of-Pocket Cost	Total Paid Amount	Total Number of People Using the Drug	Total
1	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**	

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Data Measure Points Allocations
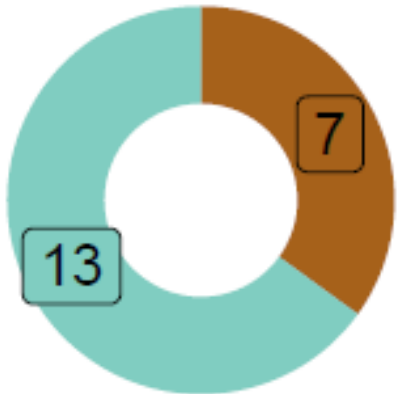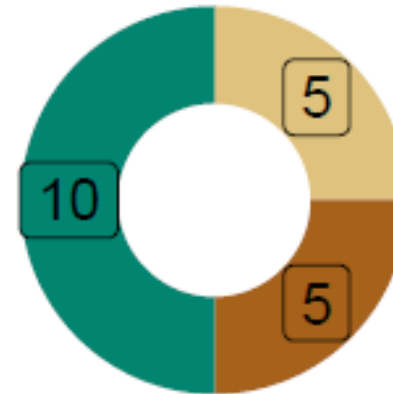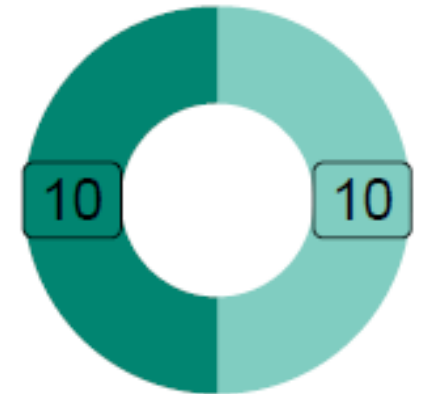
Data Measure Ranking

- ▶ 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
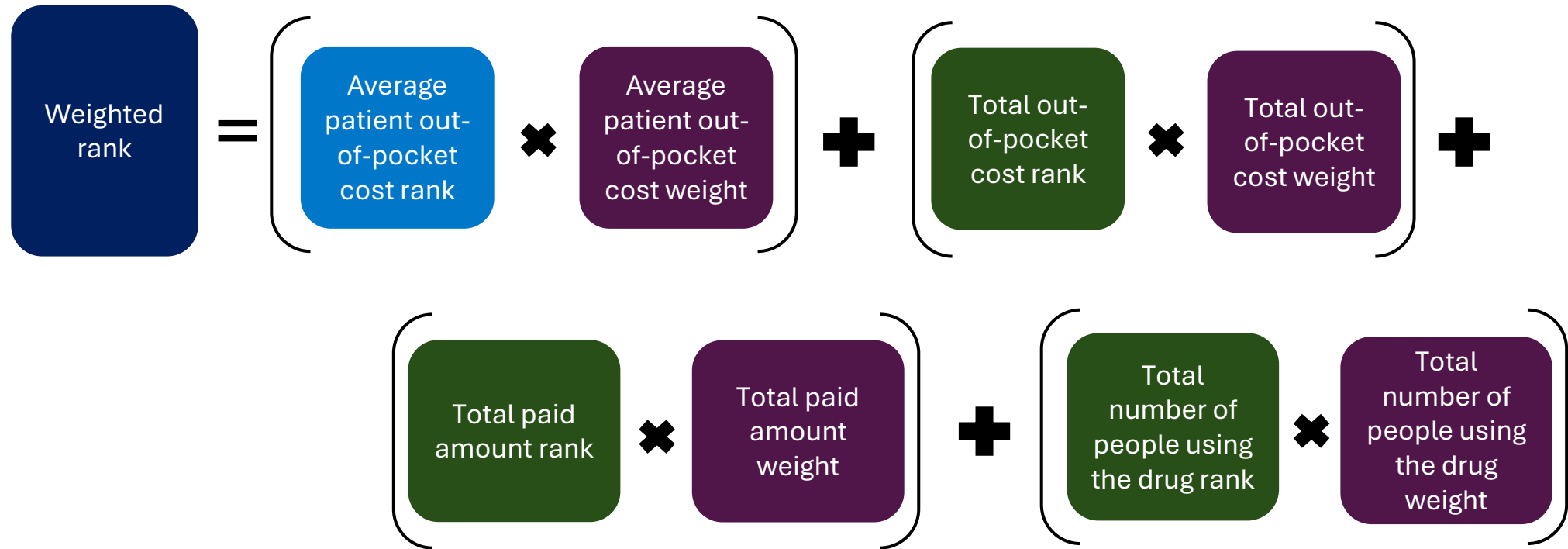
Weighted rank = (Average patient out-of-pocket cost rank × Average patient out-of-pocket cost weight) + (Total out-of-pocket cost rank × Total out-of-pocket cost weight) + (Total paid amount rank × Total paid amount weight) + (Total number of people using the drug rank × Total number of people using the drug weight)
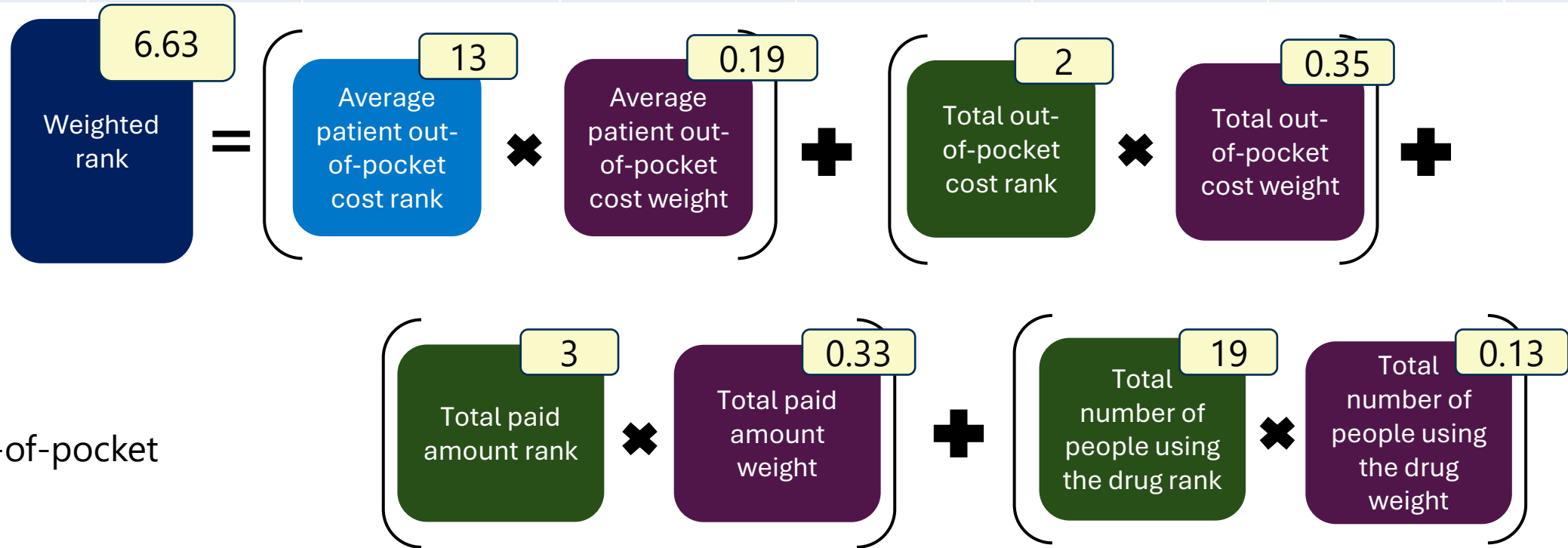
Calculating Weighted Rank

Weighted rank $=$

$$\left[\text{Average patient out-of-pocket cost rank} \times .19 \right] +$$

$$\left[\text{Total out-of-pocket cost rank} \times 0.35 \right] + \left[\text{Total paid amount rank} \times 0.33 \right] + \left[\text{Total number of people using the drug rank} \times 0.13 \right]$$

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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 ✖	0.19	$5,000	2 ✖	0.35	$10,000	5 ✖	0.33	356	2 ✖	0.13
B	$426	2 ✖	0.19	$3,000	4 ✖	0.35	$15,000	4 ✖	0.33	123	4 ✖	0.13
C	$384	3 ✖	0.19	$2,500	5 ✖	0.35	$40,000	2 ✖	0.33	84	5 ✖	0.13
D	$200	4 ✖	0.19	$7,000	1 ✖	0.35	$30,000	3 ✖	0.33	472	1 ✖	0.13
E	$104	5 ✖	0.19	$4,500	3 ✖	0.35	$60,000	1 ✖	0.33	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

$$\text{Weighted rank } (6.63) = \left(\begin{array}{c} \text{Average patient out-of-pocket cost rank} \\ (13) \end{array} \times \begin{array}{c} \text{Average patient out-of-pocket cost weight} \\ (0.19) \end{array} \right) + \left(\begin{array}{c} \text{Total out-of-pocket cost rank} \\ (2) \end{array} \times \begin{array}{c} \text{Total out-of-pocket cost weight} \\ (0.35) \end{array} \right) +$$

$$\left(\begin{array}{c} \text{Total paid amount rank} \\ (3) \end{array} \times \begin{array}{c} \text{Total paid amount weight} \\ (0.33) \end{array} \right) + \left(\begin{array}{c} \text{Total number of people using the drug rank} \\ (19) \end{array} \times \begin{array}{c} \text{Total number of people using the drug weight} \\ (0.13) \end{array} \right)$$

OOP: out-of-pocket

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Preliminary Affordability Review Shortlist

Rank	Label Name	Generic Name	Drug Type
1	XTANDI 40 MG CAPSULE	enzalutamide	brand
2	CABOMETYX 40 MG TABLET	cabozantinib s-malate	brand
3	ENBREL 50 MG/ML SURECLICK	etanercept	biologic
4	HUMIRA PEN 40 MG/0.8 ML	adalimumab	biologic
5	ENBREL 50 MG/ML SYRINGE	etanercept	biologic
6	CABOMETYX 20 MG TABLET	cabozantinib s-malate	brand
7	GILENYA 0.5 MG CAPSULE	fingolimod HCl	brand
8	INLYTA 5 MG TABLET	axitinib	brand
9	EPCLUSA 400 MG-100 MG TABLET	sofosbuvir/velpatasvir	brand
10	XELJANZ XR 11 MG TABLET	tofacitinib citrate	brand
11	TALTZ 80 MG/ML AUTOINJECTOR	ixekizumab	biologic
12	AUBAGIO 14 MG TABLET	teriflunomide	brand
13	INLYTA 1 MG TABLET	axitinib	brand
14	CIMZIA 2X200 MG/ML SYRINGE KIT	certolizumab pegol	biologic
15	TECFIDERA DR 240 MG CAPSULE	dimethyl fumarate	brand
16	CABOMETYX 60 MG TABLET	cabozantinib s-malate	brand
17	XELJANZ 5 MG TABLET	tofacitinib citrate	brand
18	ORENCIA CLICKJECT 125 MG/ML	abatacept	biologic
19	SIMPONI 50 MG/0.5 ML PEN INJEC	golimumab	biologic
20	ENBREL 50 MG/ML MINI CARTRIDGE	etanercept	biologic
21	ORENCIA 125 MG/ML SYRINGE	abatacept	biologic
22	LENVIMA 14 MG DAILY DOSE	lenvatinib mesylate	brand
23	TAFINLAR 75 MG CAPSULE	dabrafenib mesylate	brand
24	CREON DR 36,000 UNIT CAPSULE	lipase/protease/amylase	biologic
25	LENVIMA 10 MG DAILY DOSE	lenvatinib mesylate	brand

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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
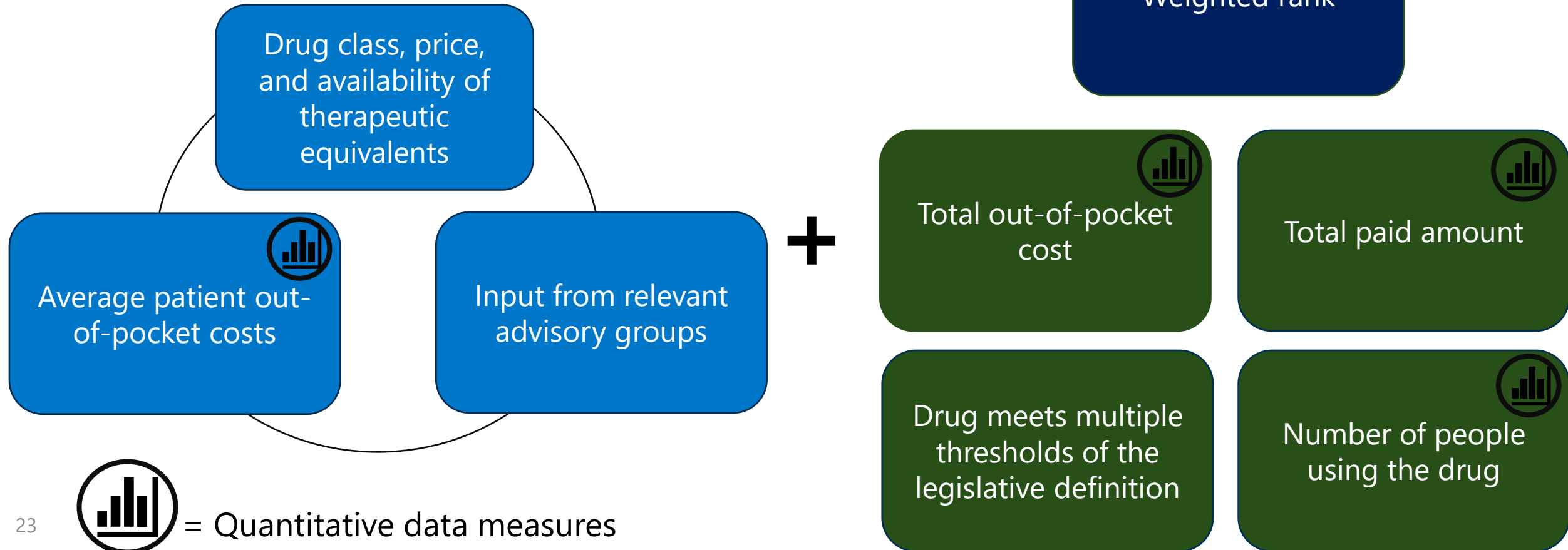
Drugs Selected for Affordability Reviews By Other PDABs

	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

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
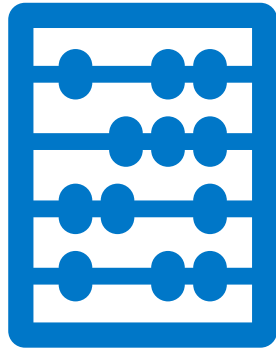
Review shortlist of top 25 prescription drugs eligible for affordability review

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