Washington State Health Care Authority

Report to the Legislature

Prescription Drug Affordability Board annual report 2024

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

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Executive summary

The Prescription Drug Affordability Board (PDAB) was established following passage of SB 5532 by the Washington State Legislature in 2022. PDAB's mission is to monitor and mitigate unsupported price increases of prescription drugs for Washingtonians. PDAB is a five-member board with expertise in health care economics and clinical medicine, appointed by the Governor. PDAB is supported by staff from the Health Care Authority (HCA). 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 2024, the board's focus was on building and narrowing down an initial list of drugs that could be selected for affordability review. Highlights from 2024 include:

- Electing a Board Chair and Vice Chair and voting on board policies and procedures related to administration of the board. Updating the Washington Administrative Code (WAC) related to the board.
- Creating an advisory group to inform the board's deliberations regarding drug selection for affordability review.
- Compiling an initial list of eligible drugs for review and determining a methodology for selecting drugs from this list for affordability review.
- Contracting with the Program on Regulation, Therapeutics, and Law (PORTAL) at Harvard University to assist with the board's activities and education.

The Washington PDAB has continued to coordinate with PDABs formed in other states, as well as with national experts such as the National Academy for State Health Policy (NASHP). Washington's PDAB has been working conscientously to develop policies and rules, as well as to select initial drugs for review, in light of litigation against other state PDABs.

Selecting board directors and updating rules and policies

The board elected MaryAnne Lindeblad as the Chair of PDAB, and Eileen Cody as the Vice Chair. The additional three members of the board are: Doug Barthold, Hung Truong, and Greg Gipson. Greg Gipson was appointed to the board by Governor Jay Inslee in fall of 2024.

The board ratified policies and procedures for the general operation of the board, the creation and management of an advisory group, and methodologies for drug selection. These policies can be found on the **PDAB website**. They were ratified following a process that involved initial drafting by HCA staff, sharing the policies with PDAB members during an open public meeting, allowing time for the public to review and comment, and then voting to ratify the policies in a following meeting.

Additionally, the board, in cooperation with the HCA staff, submitted two revisions to the governing WAC. One revision included changes to data-sharing permissions between PDAB and the Health Care Cost Transparency Board to align with Engrossed Substitute House Bill 1508, Chapter 80, Laws of 2024, Sec. 2, (2)(a). This change allowed PDAB, the Health Care Cost Transparency Board, and the Drug Price Transparency Program to share data between their teams within HCA. The second revision added a time frame of 30 days for public comment prior to the board setting an upper payment limit, to align with Substitute House Bill 1105; Section 1(1); Chapter 171; Laws of 2024.

Creating a PDAB Advisory Group

In 2024, the board created a PDAB Advisory Group to inform the board's deliberations regarding drug selection for affordability review, and to assist the Board in conducting affordability reviews.

The PDAB Advisory Group includes unpaid volunteers, serving at the direction of the board. The goal of the Advisory Group is to provide guidance to the board on the different components of drug affordability in Washington. A core Advisory Group will assist the board in narrowing down the eligible list of drugs, while a supplemental Advisory Group will assist with each individual drug affordability review. Advisory Group members will investigate each drug selected by the Board and will provide a written report to the Board with their findings as to the drug's affordability. The Advisory Group members will follow the description of their roles and responsibilities laid out in 70.405 RCW, WAC 182-52, and in the PDAB Advisory Group policies.

The Board appointed five core Advisory Group members, including experts in:

- The pharmaceutical business model
- Supply chain business model
- The practice of medicine or clinical training
- Health care consumer or patient perspectives
- Health care cost trends and drivers
- Clinical and health services research
- The state's health care marketplace
- A representative of the prescription drug industry

The five core Advisory Group members are:

- Jim Freeburg, Executive Director of Patient Coalition of Washington
- Ronnie Shure, Pharmacist, President of Health Care for All Washington
- Laura Berry, Chief Executive Office of Soundview Medical Supply
- Tim Lynch, Pharmacist, Senior Vice President and Chief Administrative Officer of MultiCare
- Dharia McGrew, PhD, Director of State Policy PhRMA

For each specific drug affordability review, the board will appoint up to five supplemental Advisory Group members, including experts in:

- Patients and/or patient advocates for the condition being treated
- Health care providers who specialize in treating the condition for the drug being reviewed

Core Advisory Group members are appointed for two-year, staggered terms. The members of the inaugural Advisory Group may be appointed for longer or shorter terms to allow for staggered tenures. Supplemental Advisory Group members will be appointed for the duration of a specific drug affordability review.

To the extent possible, the board attempted to appoint Advisory Group members who have experience serving underserved communities and reflect the diversity of the state regarding race, ethnicity, immigration status, income, wealth, disability, age, gender identity, sexual orientation, and geography.

Starting in the fall of 2024, the Advisory Group began providing input on how the board should select drugs for affordability review.

In 2025, the Advisory Group will provide input on specific drugs that should be selected for affordability review, and the board will appoint supplemental Advisory Groups to assist with each individual affordability review.

Developing an initial drug list

In 2024, HCA developed an initial drug list for PDAB to review. The **most current version** of the eligible drug list is available on the **PDAB page on HCA's website**. Over the course of 2024, the board discussed methods and specific data to examine in order to narrow down this list to select specific drugs for affordability reviews. This process is outlined in the Eligible Drug List Identification Policies posted on the **PDAB webpage**.

In short, the board followed the guidelines laid out in the authorizing legislation, then determined a number of potential criteria for narrowing down the list of eligible drugs, then added weights to those criteria, then used the weighted system to narrow down the list of drugs.

In 2025, the board will vote to select a short list of specific drugs—likely between two to five drugs—and then conduct affordability reviews on those drugs. In subsequent years, the board may conduct affordability reviews of an additional 24 drugs per year.

Contracting with the Program on Regulation, Therapeutics, and Law (PORTAL)

PDAB contracted with PORTAL, a group of policy researchers at Harvard Medical School and Brigham and Women's Hospital who study how laws and regulations influence therapeutic innovation, product approval and use, and optimal delivery of care. PORTAL has worked closely with NASHP and other state PDABs as they have created initial drug lists, narrowed down those lists, and then selected drugs for affordability review.

The PORTAL team presented at PDAB meetings, provided access to white papers related to drug selection and conducting affordability reviews, and answered board member questions regarding these topics.

PORTAL's presentations can be found on the **Washington PDAB webpage**, and their white papers can be found on the **NASHP PDAB website**.

In addition, the board has continued to connect regularly with the PDABs of other states, as well as the experts at NASHP. Thus far, Colorado, Maine, Maryland, Minnesota, New Hampshire, and Oregon have all enacted legislation creating a PDAB. This year, Colorado's PDAB program was sued by Amgen, following their initial round of affordability reviews. In light of this lawsuit, Washington's PDAB is working deliberately to ensure that adequate stakeholder feedback is received at each step of our drug review processes.

Conclusion

In summary, PDAB's activities in 2024 included:

- Electing a Board Chair and Vice Chair and voting on board policies and procedures, as well as updated the WAC.
- Creating an Advisory Group to inform the board's deliberations regarding drug selection for affordability review.
- Compiling an initial drug list and determining a methodology for selecting drugs from this list for affordability review.
- Contracting with the Program on Regulation, Therapeutics, and Law at Harvard University to assist with the Board's activities.

In 2025, the PDAB's objectives are to:

- Select drugs for affordability review.
- Begin work on the first affordability review.

The next annual report will be submitted in December 2025.

For any inquiries, please contact: **hca_wa_pdab@hca.wa.gov**.