

#### **STATE OF MAINE**

Maine Prescription Drug Affordability Board 61 State House Station Augusta, ME 04333-0061 Dr. Noah Nesin Chair

#### Maine Prescription Drug Affordability Board Monday March 25, 2024 @ 10:30 am Microsoft TEAMS Meeting

In Person Location: Burton M. Cross Building, Augusta, Maine - Room 400, 4th Floor, ME

<u>Board Members in Attendance</u>: Peter Hayes, Dr. Noah Nesin, Jennifer Reck, Dr. Julia Redding, Dr. Kelsie Snow, Rhonda Selvin, Sharon Treat, and Dr. Susan Wehry. (Total = 7)

#### **Board Members Absent:**

Vacant Seat(s): 0

Others Present:

Advisory Council: Kate Ende, Kristy Gould, Jennifer Kent, Anne-Marie Toderico, Heather Perreault, and Shonna Poulin Gutierrez.

Employee Health & Wellness: Devon French, Roberta DuPont, Emma-Lee St. Germain, and Charles Luce.

All Others: Meg Garratt-Reed, Bren Moreno, Charlie Sewell, Cottle Latham, Erin Fitzpatrick, Folger Tuggle, Keisha Vaughan, Brielle Dozier, and Tim McSherry.

Agenda Item:	Discussion:	Action/Next Steps:
I. Call to Order (10:35 am)	Dr. Noah Nesin called the meeting to order.	
II. Introductions		
a. Introductions	Information contained in written reports; highlights and discussion noted below:  • No items were brought to the board.	
III. Approval of the Minutes (January 29, 2024)	<b>Jennifer Kent states:</b> Correction to the Open Discussion on page 3. Jennifer Kent was cited at speaking in this discussion, and it should be noted as Jennifer Reck.	<b>Dr. Susan Wehry</b> made a motion to approve the amended meeting minutes for January 29, 2024. <b>Dr. Sharon Treat</b> seconded the motion. <b>Rhonda Selvin</b> abstains. The motion passed.
IV. Monthly Business		
a.	Information contained in written reports; highlights and discussion noted below:	
	No items were brought to the board.	



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V. Other Business			
a. Legislative Update— Meg Garratt-Reed	Information contained in written reports; highlights and discussion noted below:  • Meg Garratt-Reed states: Updated language was proposed to the legislature, changing the charge of the Prescription Drug Affordability Board and the final amendment that was passed. All members should have that in their e-mail. Legislature kept the language that was proposed by this group but did make some significant additions.  There's two sections that were added to that final amendment that was passed by the committee. One would require the board to undertake major substantive rulemaking to establish upper payment limits for drugs. The second section of language in that bill would give authorization to the Prescription Drug Affordability Board which states - if that rulemaking is completed and adopted following approval by the Legislature, we can implement those upper payment limits after January 1, 2026.  We had discussed taking a step back and looking holistically at different options for improving the affordability of prescription drugs. While that language is in there, that requirement to undertake rulemaking will be a significant lift and would require a lot of time and attention from the group alongside trying to do some of that work around assessing other policies. There is a fiscal note that I attached to that bill, following the amendment that was made, which is just over \$1M. This is in line with other States that have Prescription Drug Affordability Boards with the authority to do this kind of work.	Dr. Noah Nesin states: There seems to be a consensus. The next step in this conversation is what should that advocacy look like? What's the most effective way to go at that? I suggest each board member contact members of the Committee or the chairs, and in addition to a communication from the committee as a whole, we also need to call people.  Dr. Noah Nesin states: It would help to have a list of Committee members and talking points at which we can send out which I can draft and contact someone on Appropriations.  Sharon Treat states: We provided the language and made it clear that this has the support of the Board. It should go to members of Appropriations Committee, as well as Legislative leadership.  Dr. Noah Nesin asks: What is a reasonable timeline for that?  Sharon Treat responds: Send it now and send it again later. If it gets that far there will be other opportunities to weigh in on.  Dr. Noah Nesin states: My job is to create a draft and get it and get it around as quickly as possible so that we have a communication that we can send on behalf of the Committee in the coming week.	



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- **Sharon Treat states:** My understanding is that there's two positions and the \$1M is one-time funding to do the initial rulemaking. The initial rulemaking is actually to set up a methodology about how you would do an upper payment limit.
- **Dr. Susan Wehry asks:** Just a point of clarification does that \$1M fiscal note include the two positions at \$200K? Meaning a onetime payment of \$800K and \$200K would be on going. Is that correct?
- **Meg Garratt-Reed responds:** That's right. It covers that initial period.
- **Dr. Susan Wehry asks:** This is special appropriations or what I think is out of budget season and it's time to look at the extras, whereas the ongoing funding that would be needed over time seems more appropriate than the biennial budget which we would have to look at next year.
- Meg Garratt-Reed responds: A new budget, when it's enacted, has a period before it actually becomes effective. The process of trying to get contractors on board is generally many months, especially if you need to do competitive procurement for that. I do think that the lead time is necessary to have the funding and then actually be able to spend the funding as well as time to be able to undertake the activity to meet that January 1, 2026, deadline.
- **Peter Hayes asks:** Is the funding directly tied to this?
- **Meg Garratt-Reed responds:** In most cases, typically they are tied together.
- Sharon Treat states: I never represented an agency that had a
  better shot at getting funded than when you come in as a
  Legislator with your bill and you have to make the case and get it



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funded. It was my experience that the fiscal notes get cut down and things get changed as a result.

- **Peter Hayes asks:** Do we think there is a strong likelihood that this will be accepted as a recommendation?
- Jennifer Reck states: National Academy for State Health Policy hasn't directly yet, but we do continue to offer support to States that have Prescription Drug Affordability Boards rule making for setting an upper payment limit over the next six months. The drug they selected was Enbrel, which is one of the drugs that Medicare is negotiating.
- Sharon Treat responds: They're going to have a long list of things that they want to get funded from the Appropriations Committee, and they're going to sit down and set what their priorities are, and it's going to depend a lot on what that Committee says it really wants to see in the budget and how hard they push for it. The report from the Committee says that the majority ought to pass, but there was a minority.
- **Dr. Susan Wehry asks:** How big was that minority and how many people were on the committee and was the majority a simple of one?
- **Sharon Treat responds:** No, it was a party line vote between Democrats and Republicans, which is the case with many of the bills coming out of that committee.
- **Jennifer Reck states:** It was seven to four, with two absent.
- Meg Garratt-Reed responds: I think there will be larger factors
  involved in the negotiation over the budget and spending. I
  believe handling some other bills with some fiscals around
  coverage mandates and meeting to offset federal spending on
  those is what I recollect following that committee. I just don't



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want to under emphasize that I think that could be a challenging road ahead.

• **Dr. Noah Nesin asks:** My concern is that in that process, when it gets to appropriations, is that we end up with some compromise at the last minute that either involved meaningful work but not adequate funding to do the meaningful work or - we end up where we are which is focused on public payers with no funding. My other concern is that that I think our interests and the interests of the people in Maine are best served with the help of Meg Garratt-Reed's office.

My question for you, Sharon Treat, as a former Legislator, it sounds like right now our best approach, once we agree on where we want to focus, is to advocate with the members of the Committee right now, where the goal came from, and then ultimately with members of appropriations. How do we do that?

- **Sharon Treat responds:** I don't know the answer to that, but I'm a little uncomfortable myself from my past experience. We don't really need all this because generally it gets cut back. I think it's a more simplistic message, but I think that message that serious funding is needed, whether it's the full amount or not is important.
- Peter Hayes states: I would just like to loop back to what Meg Garratt-Reed was suggesting regarding whether we looked at alternatives and should we go back and have that conversation about what's the best use of resources.

I do think it's important to move forward. Prescription drugs are becoming a huge revenue center for everybody but the patients. Some of these hospitals are making four or 500% margins on drugs. What are the returns and what are the investment and resources to bend the trend?



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- **Meg Garratt-Reed responds:** I know there's been discussion of further Pharmacy Benefit Manager transparency and potential reform. Looking at prior annual reports and some of the minutes the group had also endorsed 340B transparency. It's important to select one piece, really commit to it, and do some of the further work around it like implementation considerations and cost considerations.
- **Dr. Noah Nesin states:** My understanding of this is that when we had decent placeholder bill that we thought we might have an opportunity to write language that allowed us to choose a lane as we move forward and garner resources to actually take the work to the next level. Currently we lack the depth of expertise and the and the ability to invest time to take it to the next step.
- **Sharon Treat responds:** What I like about this amendment is that if there were the resources, it actually creates a path forward which does not exclude other approaches. Then the upper payment limit is in there, but it has the other information in there as well that requires us to do things. It's not going to be debating supply or just data collection. It requires the board to actually do something, and I think that's partly where the Legislators were coming from is they wanted like action on this end.
- Dr. Susan Wehry states: I would hate to turn down funding if we can actually get it. Choosing a lane does not preclude continuing on down the highway. It does say that by January 1, 2026, we want you to arrive in your lane at this exit. It also says we have all of these other options and opportunities and to some degree of responsibility to continue looking at them. It may not be the optimal lane, but I do think it keeps us on a road that has a little bit more action and real opportunity attached to it. I think this lane is worth choosing and I wouldn't feel that way if we took out the other language.



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	<ul> <li>Peter Hayes responds: I agree. I do think there's a lot of mileage even to the extent that we put this in place, it will signal to the manufacturers and to the marketplace. It also will single to every other state like Colorado that we heard about. I do fear if we continue to analyze it will be another 12 to 18 months before we'll be able to put anything in place and drive any value. We should take action to prove that we are committed as a group and as a State to doing something about drug pricing.</li> <li>Jennifer Reck states: I do think it is meaningful, and I do think there is a real opportunity there on a Federal level.</li> <li>Rhonda Selvin states: I agree with I think that is an opportunity intense discussion on what else is important.</li> <li>Kelsie Snow states: I agree – I think everyone has brought up good points, anything that we can do to improve the situation for Mainers.</li> <li>Dr. Julia Redding states: I agree with the last several comments as well.</li> </ul>	
<b>b. Annual Report to Legislature</b> — Dr. Noah Nesin	<ul> <li>Information contained in written reports; highlights and discussion noted below:</li> <li>Dr. Noah Nesin states: The draft right now is descriptive of the work that we did in 2023 and we'll include copies of the legislative testimony that were offered on behalf of the board which is referenced in this we had. In 2023 we didn't have specific additional recommendations to the Legislature. Is it appropriate to vote on this today?</li> <li>Peter Hayes asks: I wonder if in this report we should refer to the things that we had?</li> </ul>	Jennifer Reck asks: I think it looks good with the changes we discussed, right?  Dr. Noah Nesin responds: I'll make those changes; we'll redistribute it and ask for people to respond to that and respond in that manner.



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	<ul> <li>Dr. Noah Nesin responds: Yes, that will be pulled from the 2021 and 2022 reports. I can turn that around quickly and send it around and maybe we can just get consensus, via email that it's good to submit then submit it in that manner.</li> <li>Sharon Treat asks: Do we want to reiterate the comments from previous reports saying that we ought to have more authority and add a note saying that - per our previous annual recourse, we need more authority, and we need funding?</li> <li>Dr. Noah Nesin responds: This is the report summarizing 2023 – we can put anything we want in it.</li> <li>Jennifer Reck states: We worked on it and have come up with amendment language, the offer to the legislature does carry to make this happen.</li> <li>Dr. Noah Nesin responds: Yes, that could be added.</li> <li>Peter Hayes states: The last piece of this which talks about you stepping down as chair in April, they're not going to have this report in hand until April. I'm not sure what the process is to appoint a new chair and how that works, but it maybe should be addressed in the report.</li> <li>Dr. Noah Nesin responds: Yes it will be a little hard depending on timing to make this clear in this report</li> </ul>	
c. Open Discussion	<ul> <li>Dr. Noah Nesin states: Progress is being made by the Governor's Office in naming a new chair effective April 1, 2024, for this committee. As soon as we have confirmation I will let you know.</li> </ul>	Devon French states: The next meeting will be moved to Monday May 20 <sup>th</sup> , and a new calendar invite being sent with updated links and codes on website.  Peter Hayes asks: What is our work plan for 2024 as an agenda item for the next meeting if the Legislation does not pass?



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passed. Meeting adjourned.

	<ul> <li>Meg Garratt-Reed states: The office of Affordable Healthcare will be taking over administrative duties soon. Expect updated calendar invites to be sent.</li> </ul>	Jennifer Reck responds: I can give a quick legislative overview at the next meeting.
VII. Adjourn (11: 59am)		Sharon Treat made a motion to adjourn; Jennifer Reck seconded the motion. The motion

Next meeting: May 20, 2024