



# Patient Out of Pocket Costs Taskforce (SSB 6569)

**PUBLIC HEALTH**  
ALWAYS WORKING FOR A SAFER AND  
HEALTHIER COMMUNITY



# Introductions

Name

Organization

Role

- Breaks
- Bathroom
- Parking
- Safety



# The Plan For Today

- Welcome & introductions
- Overview of policy framework
- Objectives
- Reducing OOP Rx costs in near term—prioritize strategies and summarize thoughts
- WORKING LUNCH
- Helping patients be informed consumers—summarize thoughts
- Address factors affecting OOP Rx costs—discuss potential actions/policy for top two strategies and summarize thoughts
- Report

- Start on time and end on time
- “Parking Lot” to help us stay focused and on track
- Iterative process
- Goal is not consensus
- All voices count
- Loose “agenda” - go where the conversation takes us but w/ a keen eye toward our deliverables
- We will make room at end to get input on the next meeting



## SSB 6569: Patient Out-of-Pocket Costs Taskforce Purpose Statement

- The purpose of the Patient Out-of-Pocket Costs Taskforce is to realize the intent of the legislature as expressed in SSB 6569 by developing a list of policy options or recommendations related to prescription drug out-of-pocket costs to be presented to the Washington State Legislature in a report by December 1<sup>st</sup>, 2016.
- These policy options may not represent the views of every member of the group and do not need to represent taskforce consensus. Rather, the report will provide legislators with (a) more information about policy options that have been considered or implemented in other states and (b) specific feedback from Washington stakeholders on the positives and negatives of each option. If taskforce members are able to reach consensus, the final report may include recommendations as well.

# Objectives

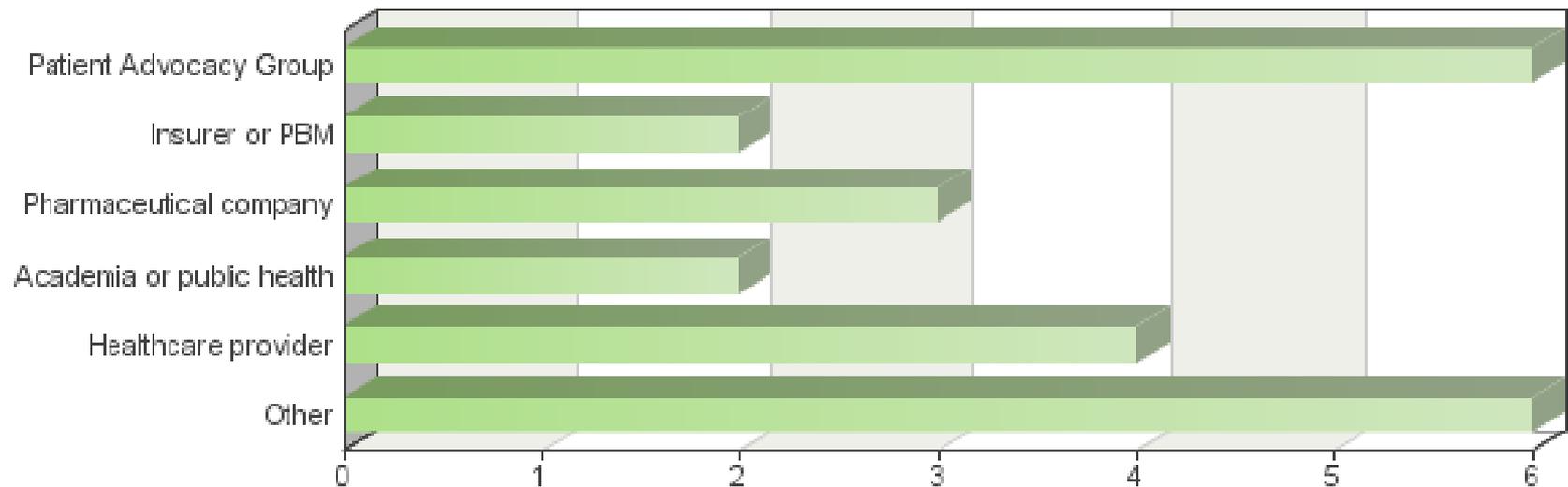
- Clarify the population of focus
- Prioritize strategies and actions to reduce the impact of OOP drug costs (focus on near term)
- Summarize the discussion for highest priority strategies or actions to reduce OOP drug costs
- Review template and timeline for final report

# Policy Framework

- Purpose:
  - Provide framework for discussion
  - Document all ideas with pros/cons
- Document created from materials distributed to TF, presentations, discussions, and feedback
- Ideas from JAMA article included
- TF members represent many different perspectives
  - Many different thoughts about scope of TF
  - Disagreements over pro/con statements
- TF members will decide which parts of the framework are used

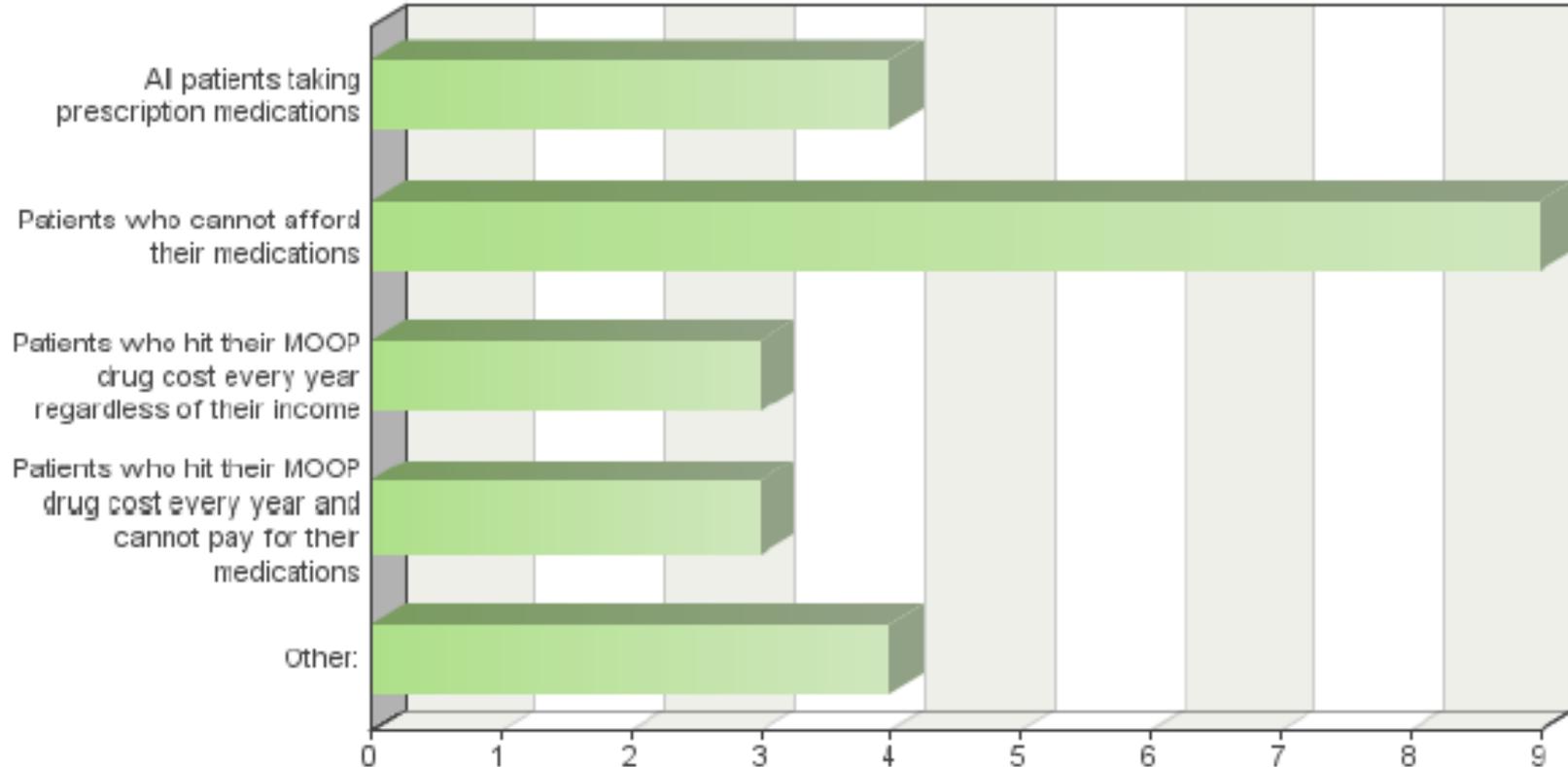
# Survey Participation

**23 (66%) of 35 task force members participated in the survey**



Other included government agencies and small business representative

# Target Population



Other included all WA residents, those on fully-insured plans, those with high MOOP cost who cannot afford them, low income and/or high drug costs

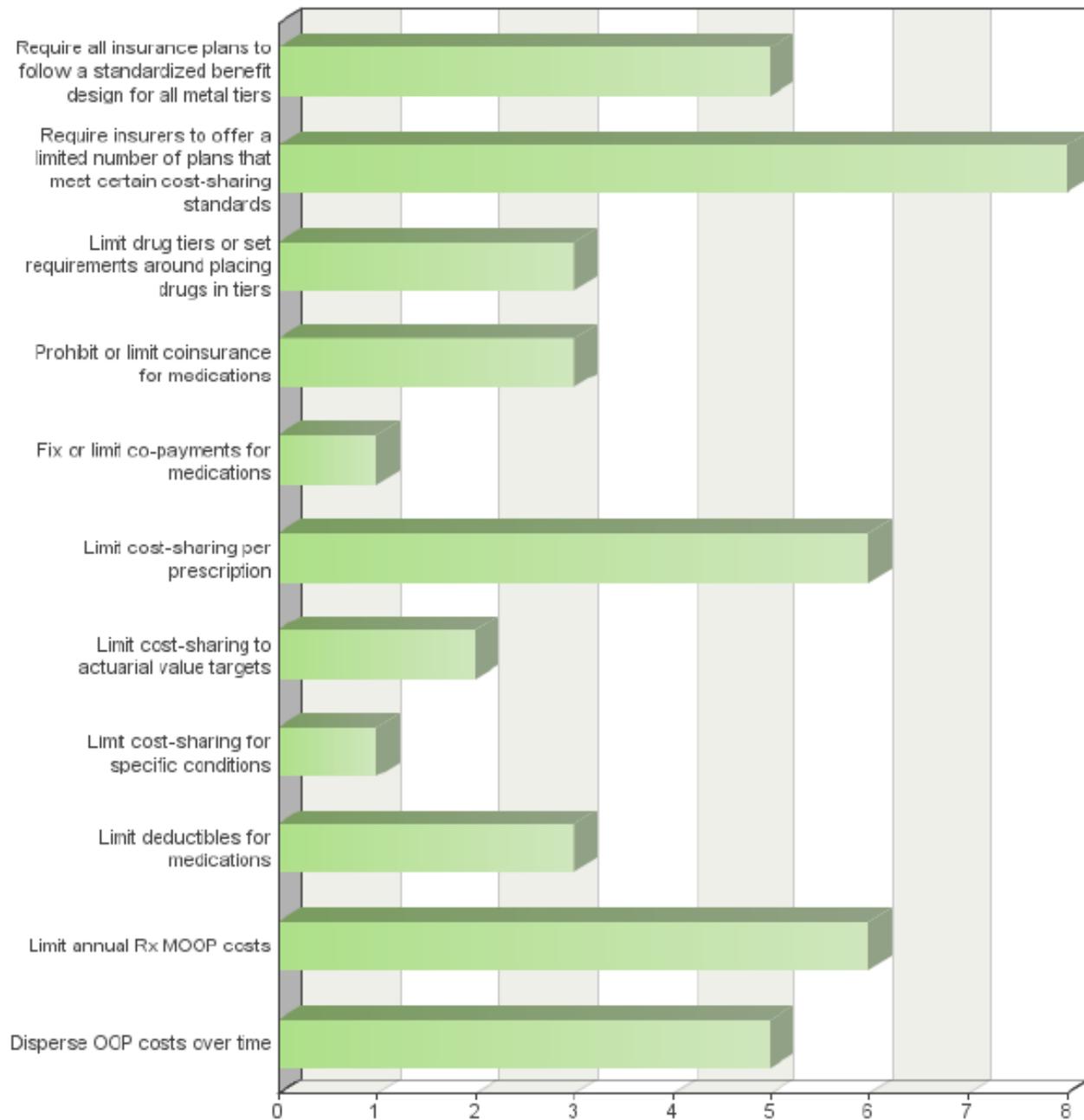
**Should the potential strategies preferentially provide Rx OOP cost relief to those with lower incomes?**

# Strategies to Reduce OOP Costs in the Near Term

# Strategies to Reduce OOP Rx Costs

Strategy	SD	D	N	A	SA	% Agree
Require all insurance plans to follow a standardized benefit design for all tiers	4	3	6	7	3	43%
Require insurers to offer a limited number of plans that meet certain cost-sharing standards	2	0	3	8	10	78%
Limit drug tiers or set req. around placing drugs in tiers	2	4	4	4	9	57%
Prohibit or limit coinsurance for medications	2	6	3	2	9	50%
Fix or limit co-payments for medications	2	7	5	3	6	39%
Limit cost-sharing per prescription	2	6	5	3	7	43%
Limit cost-sharing to actuarial value targets	0	3	15	3	2	22%
Limit cost-sharing for specific conditions	4	5	7	3	3	27%
Limit deductibles for medications	2	4	3	5	9	61%
Limit annual Rx MOOP costs	2	3	4	7	7	61%
Disperse OOP costs over time	5	2	6	3	7	43%

# Pick the top two strategies you believe are the best strategies



# Strategies to Reduce OOP Rx Costs

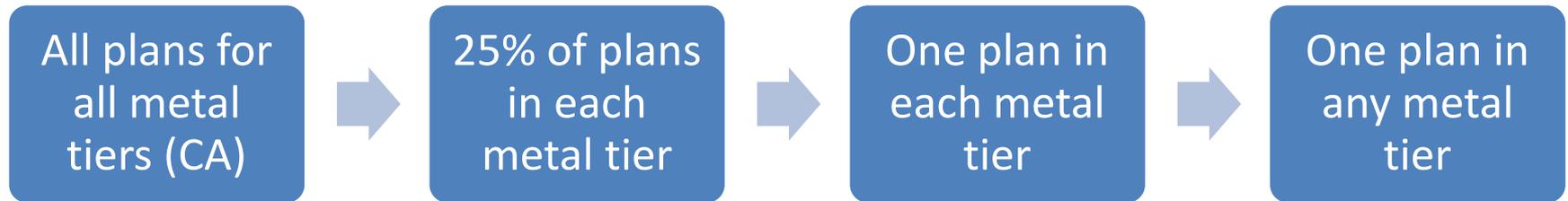
Strategy	% Agree	% Disagree	Rank
Require all insurance plans to follow a standardized benefit design for all metal tiers	43%	30%	3
Require insurers to offer a limited number of plans that meet certain cost-sharing standards	78%	9%	1
Limit drug tiers or set req. around placing drugs in tiers	57%	26%	4
Prohibit or limit coinsurance for medications	50%	36%	4
Fix or limit co-payments for medications	39%	39%	6
Limit cost-sharing per prescription	43%	35%	2
Limit cost-sharing to actuarial value targets	22%	13%	5
Limit cost-sharing for specific conditions	27%	41%	6
Limit deductibles for medications	61%	26%	4
Limit annual Rx MOOP costs	61%	22%	2
Disperse OOP costs over time	43%	30%	3

# Strategies to Reduce OOP Rx Costs

Strategy	% Agree	% Disagree	Rank
Require all insurance plans to follow a standardized benefit design for all metal tiers	43%	30%	3
Require insurers to offer a limited number of plans that meet certain cost-sharing standards	78%	9%	1
Limit drug tiers or set req. around placing drugs in tiers	57%	26%	4
Prohibit or limit coinsurance for medications	50%	36%	4
Fix or limit co-payments for medications	39%	39%	6
Limit cost-sharing per prescription	43%	35%	2
Limit cost-sharing to actuarial value targets	22%	13%	5
Limit cost-sharing for specific conditions	27%	41%	6
Limit deductibles for medications	61%	26%	4
Limit annual Rx MOOP costs	61%	22%	2
Disperse OOP costs over time	43%	30%	3

# Spectrum of Standardized Benefit Design

**How many plans should follow the standardized benefit design?**



**How many benefits of the plans should be standardized?  
(All vs. some)**

# Strategies to Reduce OOP Rx Costs

Strategy	% Agree	% Disagree	Rank
Require all insurance plans to follow a standardized benefit design for all metal tiers	43%	30%	3
Require insurers to offer a limited number of plans that meet certain cost-sharing standards	78%	9%	1
Limit drug tiers or set req. around placing drugs in tiers	57%	26%	4
Prohibit or limit coinsurance for medications	50%	36%	4
Fix or limit co-payments for medications	39%	39%	6
Limit cost-sharing per prescription	43%	35%	2
Limit cost-sharing to actuarial value targets	22%	13%	5
Limit cost-sharing for specific conditions	27%	41%	6
Limit deductibles for medications	61%	26%	4
Limit annual Rx MOOP costs	61%	22%	2
Disperse OOP costs over time	43%	30%	3

# Strategies to Reduce OOP Rx Costs

Strategy	% Agree	% Disagree	Rank
Require all insurance plans to follow a standardized benefit design for all metal tiers	43%	30%	3
Require insurers to offer a limited number of plans that meet certain cost-sharing standards	78%	9%	1
Limit drug tiers or set req. around placing drugs in tiers	57%	26%	4
Prohibit or limit coinsurance for medications	50%	36%	4
Fix or limit co-payments for medications	39%	39%	6
Limit cost-sharing per prescription	43%	35%	2
<del>Limit cost-sharing to actuarial value targets</del>	<del>22%</del>	<del>13%</del>	<del>5</del>
<del>Limit cost-sharing for specific conditions</del>	<del>27%</del>	<del>41%</del>	<del>6</del>
Limit deductibles for medications	61%	26%	4
Limit annual Rx MOOP costs	61%	22%	2
Disperse OOP costs over time	43%	30%	3

# Strategies to Help Patients be Better Informed Consumers

# Strategies to Help Patients be Better Informed Consumers

Strategy	SD	D	N	A	SA	% Agree
Improve coverage and costs transparency for healthcare services and medications	2	0	3	9	8	77%
Limit formulary flexibility	3	5	7	5	2	32%

# Strategies to Improve Coverage and Cost Transparency

Strategy	SD	D	N	A	SA	% Agree
Require insurers to improve cost estimator tools so that the actual dollar cost-sharing amount for a given medication under a particular plan is available to patients and providers in real time	0	0	6	8	8	73%
Require insurers to use a standard formulary template for their plans	3	0	3	10	5	71%
Require insurers to have searchable formularies	0	0	4	8	9	81%
Standardize definitions for formulary tiers	2	0	6	9	5	64%
Standardize definitions for specialty drugs	1	1	9	5	6	50%

# Improve Coverage and Cost Transparency for Healthcare Services and Medications

<p><i>Improve coverage and cost transparency for healthcare services and medications</i></p>	<ul style="list-style-type: none"> <li>• Require insurers to improve cost estimator tools so that the actual dollar cost-sharing amount for a given medication (or healthcare service) under a particular plan is available to patients and providers in real time (TF)</li> <li>• Require insurers to use a standard formulary template for their plans (CA, HI)</li> <li>• Require insurers to have searchable formularies (VT)</li> <li>• Standardize definitions for formulary tiers (CA)</li> <li>• Standardize definitions for specialty drugs (DE, MD)</li> <li>• Continue to support the development of the All Payers Claims Database (TF); include medication claims in the APCD</li> </ul>	<p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>• Would make it much easier for consumers to compare OOP drug costs in different plans and choose a plan that fits their individual needs.</li> <li>• Robust, real-time cost-estimator tools could allow providers to consider cost in a recommendation for a medication.</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>• Cost-estimator tools might be difficult to create since different plans may use different PBMs.</li> <li>• Insurer may pass on costs of enhancing cost-estimator tools to consumers in the form of higher premiums.</li> <li>• Cost estimator tools may not be "real time" (meaning can they give the consumer accurate information specific to where they are in meeting their deductible, the actual cost-sharing versus just the % co-insurance).</li> </ul>
--	---	--

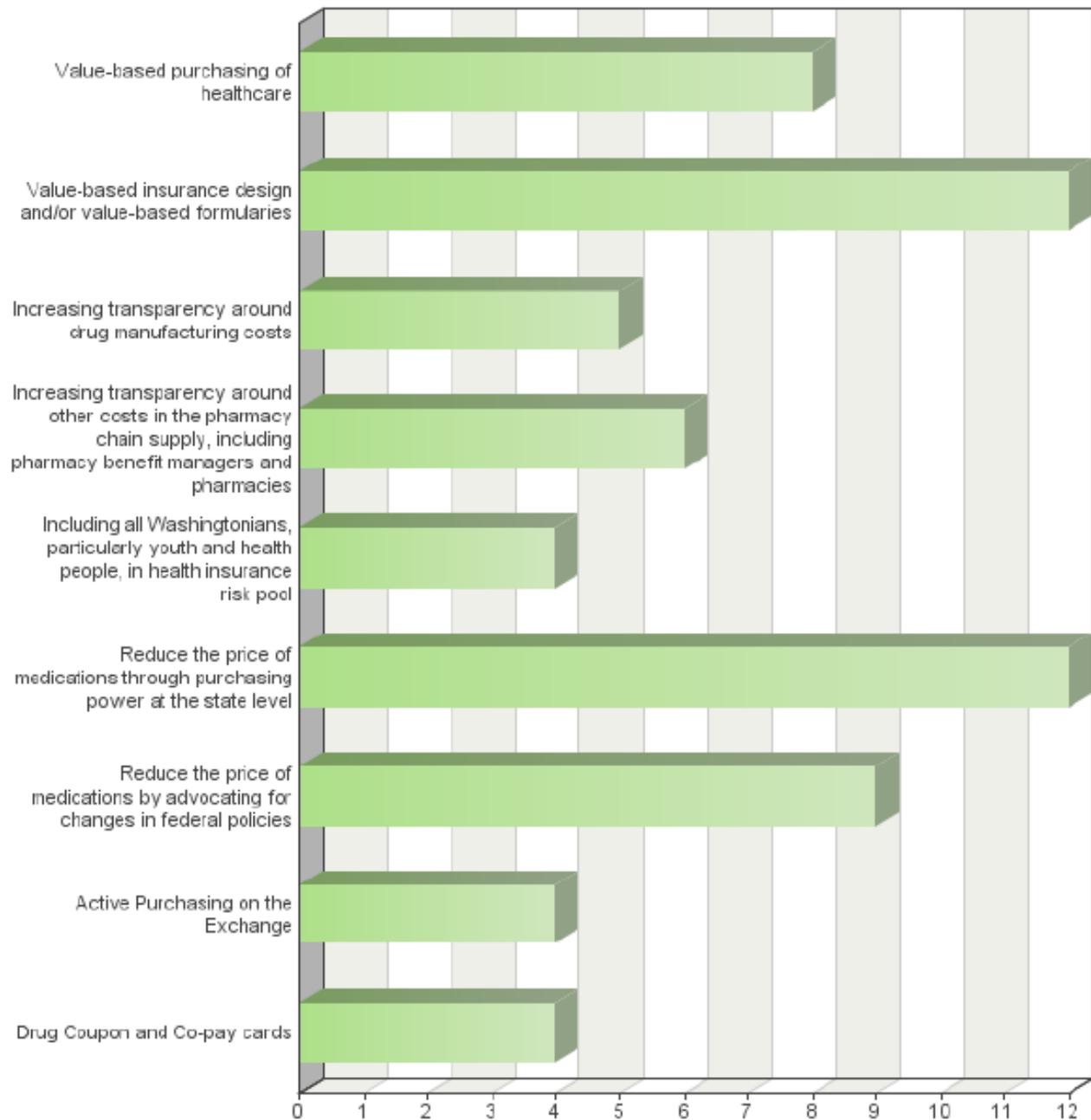
# Summarize Thoughts on Strategies to Improve Cost Transparency

# Strategies to Address Factors Influencing OOP Costs

# Strategies to Address Factors Influencing OOP Rx Costs

Strategy	SD	D	N	A	SA	% Agree
Implementing value-based purchasing of healthcare	1	2	11	6	3	39%
Implementing value-based insurance design and/or value-based formularies	0	3	7	9	4	57%
Increasing transparency around drug manufacturing costs	2	4	6	4	6	45%
Increasing transparency around other costs in the pharmacy chain supply, including pharmacy benefit managers and pharmacies	1	3	8	5	6	48%
Including all Washingtonians, particularly young and healthy people in the health insurance risk pool	0	2	9	9	3	52%
Reducing the price of medications through purchasing power at the state level	2	1	4	11	4	68%
Reducing the price of medications by advocating changes in federal policies	3	2	5	6	6	55%

Check any of the following you would like to discuss



# Strategies to Address Factors Influencing OOP Rx Costs

Strategy	% Agree	Rank
Implementing value-based purchasing of healthcare	39%	3
Implementing value-based insurance design and/or value-based formularies	57%	1
Increasing transparency around drug manufacturing costs	45%	5
Increasing transparency around other costs in the pharmacy chain supply, including pharmacy benefit managers and pharmacies	48%	4
Including all Washingtonians, particularly young and healthy people in the health insurance risk pool	52%	6
Reducing the price of medications through purchasing power at the state level	68%	1
Reducing the price of medications by advocating changes in federal policies	55%	2

# Strategies to Address Factors Influencing OOP Rx Costs

Strategy	% Agree	Rank
Implementing value-based purchasing of healthcare	39%	3
Implementing value-based insurance design and/or value-based formularies	57%	1
Increasing transparency around drug manufacturing costs	45%	5
Increasing transparency around other costs in the pharmacy chain supply, including pharmacy benefit managers and pharmacies	48%	4
Including all Washingtonians, particularly young and healthy people in the health insurance risk pool	52%	6
Reducing the price of medications through purchasing power at the state level	68%	1
Reducing the price of medications by advocating for changes in federal policies	55%	2

**What actions, policies, or next steps could the legislature take to advance the use of value-based insurance design and/or value-based formularies in WA?**

**What actions, policies, or next steps could the legislature take to reduce the price of Rx meds through state purchasing power?**

# Summarize Thoughts on Strategies to Address Factors Influencing OOP Costs

# Report Timeline

- 10/24: Draft of report to TF for review
- 10/31: Comments due back to DOH
- 11/4: Report due for internal review
- 12/1: Report due to legislature

**How should the policy framework be incorporated into the final report?**



Plus



Delta

