

INSURER PERSPECTIVES ON PDABS

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PARTNERSHIP TO FIGHT
CHRONIC DISEASE

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RESEARCH OVERVIEW

- Avalere conducted series of in-depth interviews
- Executives at regional and national health plans with direct PDAB experience, insuring nearly 7 million lives and including several with CO-specific experience
- Questions focused on:
 - Impact on benefit design (patient access & costs)
 - Implementation timelines
 - Provider access

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HEALTH PLANS PREDICT: IMPLEMENTING UPPER PAYMENT LIMITS MAY ALTER FORMULARIES AND BENEFIT DESIGN BUT WON'T REDUCE PATIENT COSTS

This report is based on research conducted by Avalere under contract to the Partnership for Chronic Disease.

PATIENT ACCESS & COSTS

UPLs Will Not Lower Patient Costs

- Most payers (five of six) did not anticipate that upper payment limit (UPL)-related savings would be passed on to patients in the form of lower premiums, deductibles, or cost sharing.
- While patients could anticipate some shifts to formulary tiering, overall changes to benefit design, such as premiums, deductibles, and maximum out of pocket (MOOP) amounts were unlikely to decrease.

UPLs Will Increase Utilization Management Across Therapeutic Classes

- Formulary constraints are likely under a UPL.
- Drugs with a UPL or competitors in the therapeutic class are likely to see increased utilization management (e.g., step therapy, prior authorization) based on how manufacturers respond to reimbursement limits and plans structure new benefit designs.

PATIENT ACCESS & COSTS

Insurers believe PDABs and UPLs:

Will Not Lower Patient Costs

- ***“Payers will not pass their savings (if any) onto individuals. It’s not realistic and somebody will need to make up the differences.”*** – Executive Director, Health Plan Services

Will Increase Utilization Management Across the Therapeutic Class

- ***“Utilization management will undoubtedly go up with UPLs, whether for the drugs subjected to them or for competition. This is going to depend on how low or high the UPLs are set at and what changes this brings to classes and volume.”*** – Vice President of Strategic Business Operations, Regional Plan

PROVIDER ACCESS & STATE SPEND

Insurers believe PDABs and UPLs:

Will Impact Financial Risks for Providers

- Could increase financial risks for providers, including pharmacies and physician offices who “buy and bill” for medications.

“Anything that impacts product reimbursement over time will impact patient access. Providers will not want to take financial risks regarding inadequate reimbursement under UPL.” – Executive Director of Health Plan Services, National Plan

Will Not Lower State Spending

- UPLs will likely not make the impact states intended when creating legislation; state spend is likely to increase regardless.

“While well intentioned, state lawmakers did not place a ton of thought into the implementation of a UPL and how this will impact the supply chain.” – CEO of Western Region, National Plan

SUPPORTING MATERIALS



PFCD [White Paper](#)



Avalere Insights
Article



Press Statement



Social Media
Toolkit



Infographic



Op/eds

QUESTIONS
&
FEEDBACK

White paper link:

<https://www.fightchronicdisease.org/blog>

PDF version:

<https://www.fightchronicdisease.org/colorado%E2%80%99s-prescription-drug-board-will-limit-access-lifesaving-medicines>