October 9, 2024

Legislative Policy Committee (LPC)
Department of Legislative Services
Annapolis, Maryland 21401

Submitted electronically: ryane.necessary@mlis.state.md.us

Re: Review of the Upper Payment Limit Action Plan approved by the Prescription Drug Affordability Board

Dear Members of the Legislative Policy Committee:

On behalf of the Association of Women in Rheumatology (AWIR), I am writing to offer our comments regarding the Maryland's Prescription Drug Affordability Review Boards' *Plan of Action for Implementing the Process for Setting Upper Payment Limits (UPLs)* on prescription medications.

As an organization committed to advocating for accessible and affordable prescription medications for patients, we acknowledge the need for reforms in our current drug pricing system. The specialty of rheumatology frequently involves high-cost medications, particularly biologics, which are often not initial treatment options. Rheumatologists frequently guide patients through a complex trial-and-error process—chronicling several months to a year—before identifying the most effective medication. Maintaining continuity of this treatment is critical not only to prevent disease flares but also to ensure that patients can perform their daily activities without interruption.

The AWIR supports the objective of the Maryland Prescription Affordability Board to lower medication costs and increase accessibility. However, we urge the LPC to carefully consider the implications of implementing UPLs on an already fragile drug pricing system. The present framework of prescription pricing is heavily influenced by the rebates that pharmaceutical manufacturers provide to Pharmacy Benefit Managers (PBMs). This 'backwards bidding' system incentivizes manufacturers to inflate the list prices of drugs, leaving patients to pay out-of-pocket costs based on these inflated prices—rather than the actual discounted rates that PBMs receive.

In the context of rheumatology, many of our physicians utilize a buy-and-bill model to provide medications directly in their offices. This approach allows healthcare providers to tailor dosages according to real-time vitals and laboratory results, ensuring safety and effectiveness. It is noteworthy that providing medications through the office setting is often significantly more cost-effective compared to hospital settings or insurer-owned specialty pharmacies. For instance, one recently analyzed drug, Stelara, was 22% less expensive in the provider care setting and 34% more costly when administered via hospital services.[1]

While setting UPLs might seem well-intentioned, it poses a risk. If reimbursement caps set by the board lead to financial shortfalls for providers, it may jeopardize the sustainability of the buy-and-bill process. Providers may find themselves covering costs for medications that exceed the UPL they receive for

[1] https://www.mass.gov/doc/review-of-third-party-specialty-pharmacy-use-for-clinician-administered-drugs/download

reimbursement, which could force them to reconsider the delivery of care models that are currently more economical for patients. This shift has the potential to unintentionally channel patients towards more expensive healthcare environments, counteracting the goal of increasing affordability.

AWIR strongly supports the Board's mission to enhance the affordability of medications, but we advocate for a holistic perspective that considers the repercussions of UPLs on specialty providers and their patients. The delicate balance between setting manageable limits and ensuring patient access to effective treatment must be upheld.

AWIR's Suggested Solutions:

- **Ensure that the UPL setting process incorporates patient access considerations as a key criterion. Strategies should be put in place to evaluate how proposed limits may impact patient availability to necessary medications and treatment options.**

- **Create exceptions criteria for specialty providers who buy-and-bill their drugs and administer in-office. By including guardrails to account for drug acquisition costs and drug administration reimbursement, you protect the site of care that delivers the most cost-effective way of treating patients who need specialty medications. It also protects patients from being shifted to a hospital setting where administration costs are substantially higher.**

- **Ensure that stakeholder input and expert testimony hearings take into consideration that providers are seeing patients during regular work hours. AWIR strongly suggests that these meetings take place in the early morning or late evening hours of the day so that both providers and patients can provide essential input.**

We appreciate your consideration of these concerns and look forward to working collaboratively to find solutions that truly promote affordability and access for all patients, particularly in the specialty of rheumatology.

Thank you for your attention to this critical matter.

Sincerely,

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