Ohio General Assembly – House Committee on Public Health Policy

Testimony of Holly Pendell,
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Proponent Testimony of HB 177
November 15, 2023

Chairman Lipps, Vice Chair Stewart, Ranking Member Liston and Members of the House Committee on Public Health Policy, thank you for the opportunity to provide testimony on House Bill (HB) 177. I am writing today on behalf of the National Multiple Sclerosis Society in support of HB 177, which addresses copay accumulator programs that affect patients' access to health care. We respectfully ask the Public Health Policy Committee to favorably report HB 177.

I provided testimony to this committee earlier this month and today submit these remarks to clarify a few points I think important for this committee to understand HB 177 following opponent testimony last week.

Factors that influence medication decision making

Multiple sclerosis (MS) is an unpredictable disease of the central nervous system. Currently there is no cure. Symptoms vary from person to person and may include disabling fatigue, mobility challenges, cognitive changes and vision issues. An estimated 1 million people live with MS in the United States. Early diagnosis and treatment are critical to minimize disability. Significant progress is being made to achieve a world free of MS.

When someone is diagnosed with MS, their clinician will typically prescribe a medication referred to as a disease-modifying therapy (DMT). DMTs are used to modify the disease course, treat relapses, and manage symptoms. Growing evidence indicates that early and ongoing treatment with DMTs is the best way to prevent the accumulation of disability and protect the brain from permanent damage due to MS. The landscape of DMTs has evolved from zero treatments available prior to 1993 to over 20 medications available in 2023. The full range of MS DMTs represent various mechanisms of action and routes of administration with varying efficacy, side effects, and safety profiles.

No single agent is 'best' for all people living with MS and, as MS presents differently in each person, every person's response to a DMT will vary. It is common for people with MS to move through several different DMTs throughout their life as they may "break-through" on a medication, or have disease activity, and need to try a different DMT. The decision as to which treatment a patient and their physician choose is based on many factors as Figure 1 "Factors the influence DMT decisions" below demonstrations. The shared decision-making process may take days, weeks or even months of trial and error. Once a person living with MS finds a DMT that works for them, treatment with that medication should continue without interruption unless determined medically necessary by the individual and their healthcare provider. Movement that is not based on medical necessity may lead to hospitalization or lengthy rehabilitation stays, both of which are much costlier to the healthcare system than the difference between DMT prices.

The decision is complex and often life altering and for anyone to imply it is ever based on the presence of a coupon or assistance program would be a gross misstatement of the truth.

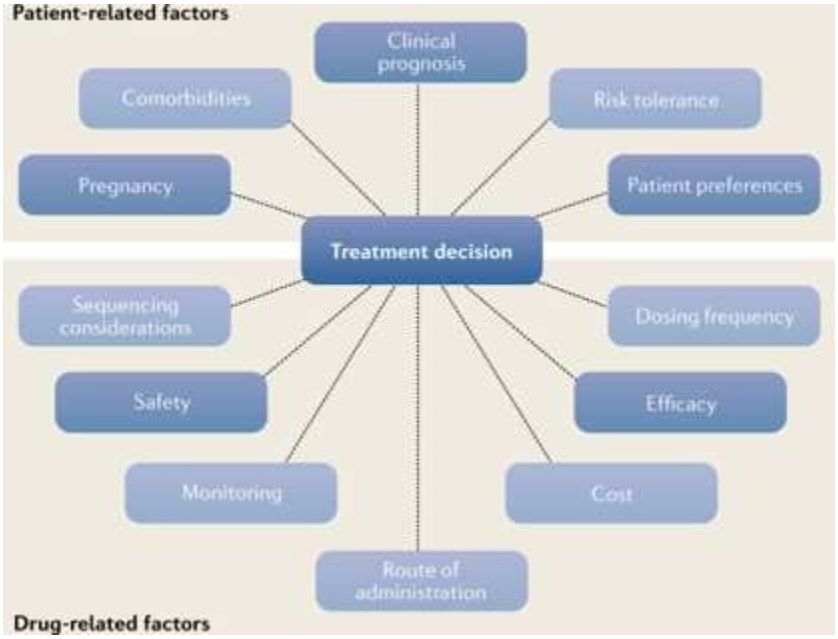


Figure 1- Factors that influence DMT decisions.

Pharmacy Benefit Manager (PBM) & Payors Vertical Integration
As you are aware, PBMs have played an increasingly important - but often hidden - role in the U.S healthcare system and their role in formulary development leads to restrictions in access. The increasing vertical integration of PBMs and insurers, (it is worth noting that the top three PBMs control 80% of the markets), rebating, pharmacies, and other business-related practices often result in formulary placement of medications that steer individuals towards more expensive medications, while generics and biosimilars are available. For example, PBMs steer health plan enrollees to their preferred or owned pharmacies and often place generic drugs and biosimilars on higher formulary tiers alongside brand medications. This creates no financial incentive for patients, as these higher tiers can have coinsurance rates of up to 40%, making all medications unaffordable to patients.

We have seen this practice in the MS space as MS generics are often covered as specialty medications and as a result sit on a higher cost-sharing tier than most regular generic medications; this results in higher out of pocket costs for people with MS (see Figure 2 attached). Likewise, a PBM may prefer a higher cost drug because it will increase their revenue so, despite lower cost alternatives being available, a higher cost product receives favorable formulary placement.

Legal Case: HIV & HEPC Policy Institute, et al vs. HHS related to Accumulator Programs
The Federal District Court for the District of Columbia reinstated a federal rule that prohibits most accumulator programs, affecting both commercial health plans and federally regulated

health plans. The impact of this decision relies on the Department of Healt & Human Services' (HHS) subsequent actions; they have 60 days from September 29th to appeal the decision. The ruling is a step toward safeguarding patients from payor/PBM efforts to restrict assistance programs. It seems to restore the federal rule that aimed to restrict accumulators when a generic equivalent is unavailable.

Ohio Prescription Drug Affordability and Transparency Council

In 2020, I was nominated to the Ohio Prescription Drug Affordability and Transparency Council by the Ohio Senate and confirmed by Governor Mike DeWine. As a member of the Council, I considered my time and effort a service to the people of Ohio burdened by the cost and stress associated with rising prescription drug pricing. Over the 16 years I have served at the Society, I have heard hundreds of personal stories about the impact of drug prices of people's health and lives. I have personally witnessed the challenges caused by drug pricing in my own family. My father takes medication daily with a much lower efficacy and much higher risk of side effects for a blood disorder that could be more easily and effectively treated with a different medication, however it cost ten times as much out of pocket.

This Advisory Council, including members familiar with this committee including Pat Tiberi, Matt Damshroder, Lori Criss, Stephanie McCloud and others, took a great deal of time considering each recommendation made in the final council report, we heard from experts across all industries involved over six public hearings. Any statements otherwise would be incorrect and not supported by public record. Great consideration was given to Recommendation 5 to the General Assembly: "Find additional ways to benefit the consumer", which includes the recommendation to expand options for the use of coupons.

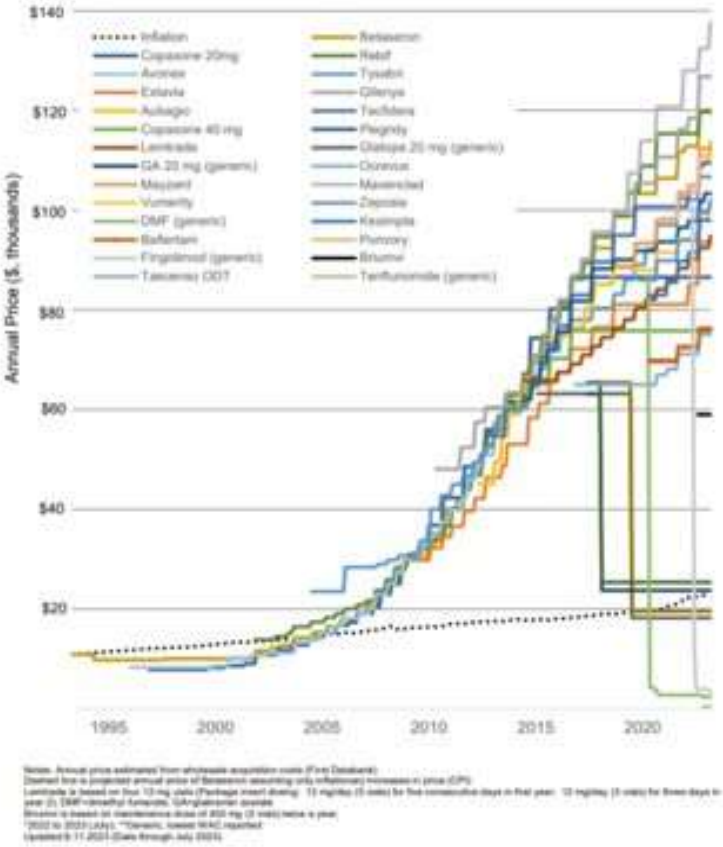
Still, what should no be lost in this hearing is what comes before the recommendation regarding coupons, the Council begins with "First and foremost, policymakers must consider the patient's needs, quality customer service, and access to pharmacies while taking action to lower prescription drug costs." You are here today for the people of Ohio and the recommendations clear to first consider the patient's needs. Please do so today and report HB 177 favorably through this committee and to the full Ohio House of Representative's for passage of this important legislation.

My appreciation to each of you for your time and patience, especially Chairman Lipps in his consideration of the legislation and Rep. Manchester in her dedication to the patient's impacted by this issue every day, throughout Ohio.

I can be contacted for questions at Holly.Pendell@nmss.org.

Thank you.

Trends in annual price for disease-modifying therapies for multiple sclerosis; 1993 to 2023



Notes: Annual price estimated from wholesale acquisition costs (First Databank).
Dashed line is projected annual price of Betaseron assuming only inflationary increases in price (CPI).
Lemtrada is based on four 12 mg vials (Package insert dosing: 12 mg/day (5 vials) for five consecutive days in first year; 12 mg/day (3 vials) for three days in year 2). DMF=dimethyl fumarate, GA=glatiramer acetate.
Briumvi is based on maintenance dose of 450 mg (3 vials) twice a year.
*2022 to 2023 (July). **Generic, lowest WAC reported.
Updated 9.11.2023 (Data through July 2023).

Drug (manufacturer; market entry)	1 Year Change*	Annual Price 2023
Interferons		
Betaseron (Bayer, July 1993)	6.0%	$119,610
Avonex (Biogen, May 1996)	5.6%	$103,323
Rebif (EMD Serono, Mar 2002)	4.0%	$119,973
Extavia (Novartis, Aug 2009)	9.9%	$93,566
Plegridy (Biogen, Aug 2014)	5.6%	$103,323
Glatiramer Acetate		
Copaxone 20mg (Teva, Dec 1996)	0.0%	$86,554
Copaxone 40 mg (Teva, Jan 2014)	0.0%	$75,816
Glatopa 20 mg (generic, Apr 2015)	0.0%	$18,250
Glatopa 40 mg (generic, Feb 2018)	0.0%	$19,500
GA 20 mg (generic, Oct 2017)	0.0%	$23,725
GA 40 mg (generic, Oct 2017)	0.0%	$25,350
S1P Receptor Modulators		
Gilenya (Novartis, Sept 2010)	7.0%	$126,812
Mayzent (Novartis, Mar 2019)	7.0%	$112,346
Zeposia (BMS, March 2020)	8.6%	$102,038
Ponvory (Janssen, March 2021)	7.0%	$110,916
Tascenso ODT (Cycle, Jan 2023)	-	$126,813
*Fingolimod (generic, Aug 2022)***	-97.3%	$2,679
Fumarates		
Tecfidera (Biogen, Mar 2013)	5.5%	$109,441
Vumerity (Biogen, Nov 2019)	6.6%	$100,516
Baflertam (Banner, Sept 2020)	5.0%	$76,192
*DMF (generic, Aug 2020)***	-15.4%	$2,316
Other Oral DMTs		
Aubagio (Sanofi, Sept 2012)	9.7%	$113,707
Mavenclad (Sanofi, Sept 2012)	7.5%	$137,566
*Teriflunomide (generic, Mar 2023)***	-	$395
Monoclonal Antibodies		
Tysabri (Biogen, Nov 2004)	4.5%	$106,722
Lemtrada (Sanofi, Nov 2014)	5.1%	$94,609
Ocrevus (Genentech, Mar 2017)	5.5%	$75,102
Kesimpta (Novartis, Aug 2020)	7.0%	$97,969
Briumvi (TG Therapeutics, Jan 2023)	-	$59,000

National Multiple Sclerosis Society