



October 24, 2019

David Seltz
Executive Director, Massachusetts Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

main: 617 • 674 • 5100 fax: 617 • 674 • 5101

Massachusetts Biotechnology Council
300 Technology Square, Eighth Floor
Cambridge, MA 02139

Re: Prescription Drug Coupon Report to Legislature

Dear David,

As the Health Policy Commission works to finalize its report to the Legislature on The Impact of Prescription Drug Coupons, Discounts, and Other Product Vouchers on Pharmaceutical Spending and Health Care Costs, MassBio would like to share the following comments relative to two areas of the Market Oversight and Transparency Committee's draft report that we feel warrant a more in-depth explanation.

First, while the report briefly mentions the idea of cost avoidance due to higher medication adherence, we believe the report should more clearly state that higher spending on prescription drugs is not, in and of itself, a harmful change if it leads to better health outcomes and lower costs elsewhere in the healthcare system due to improved adherence.

Second, the report should clearly define if and how patient choice can be influenced by the availability of a coupon. We believe that concept is misunderstood and is critical to the understanding of the data presented throughout the report.

Opponents of prescription drug coupon programs, who question their utility and cost impact, base their arguments on the assumption that coupons influence consumer behavior. This assumption is built on a faulty presumption that patients in the commercial market have a choice in what prescription drug they take and that they can make an informed, rational choice between what they were prescribed, or a branded close therapeutic substitute based on what each will cost them out-of-pocket with or without coupons.

However, as you know, payers have strict formularies which dictate what drugs are covered and at what cost to patients. Because of a payer's formularies (e.g. tiering, prior authorization, and step therapy) and the opacity of patient out-of-pocket expense, patients are regularly faced with two scenarios at the pharmacy counter: 1) they arrive with a prescription from their doctor only to be told that their payer will not cover it based on their formulary; and 2) they find out from their pharmacist, for the first time, what their cost-sharing amount is and possibly that a coupon exists to help reduce that expense. In neither scenario, is coupon availability changing behavior. In fact, as your draft report right notes, patients in those scenarios are often forced to decide whether or not they can afford to pay for the prescription.

The draft report seems to hint at the concepts above, if indirectly, but we believe these concepts need to be outlined more explicitly in your final report to the Legislature. We and our members would be happy to discuss this issue with you in more depth if that would be helpful as you prepare the final report.

Sincerely,

A handwritten signature in black ink that reads "RK Coughlin". The letters are fluid and connected, with a cursive style.

Robert K. Coughlin
President & CEO, MassBio