

May 24, 2019

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Dear Ms. Johnson:

MassBio appreciates the opportunity to comment on the Health Policy Commission's study of the impact of prescription drug coupons on the state's healthcare spend. MassBio represents more than 1,100-member organizations, including biopharma companies, teaching hospitals, and academic institutions, the majority of which are directly engaged in research, development, and manufacturing of innovative products that improve the lives of people around the world. MassBio is committed to advancing Massachusetts' leadership in the life sciences to add value to the healthcare system and improve patient lives.

Massachusetts became the last state in the country to allow prescription drug assistance programs through legislation passed in 2012. However, this law varies significantly from most other states' as the Massachusetts law does not allow prescription drug coupons for branded drugs where a generic equivalent exists. By prohibiting coupons or vouchers in these circumstances, the Massachusetts law is among the strictest in the nation.

Pharmacy assistance programs can significantly reduce the out of pocket costs for patients at the pharmacy counter. Out of pocket costs are a major concern as more people are covered by high deductible plans where patients pay entirely out of pocket for their drugs until their deductible is met. For many, these plans also include additional cost sharing requirements, such as co-insurance, where patients pay a percentage of the drug's list price even after they have met their deductible. For lots of patients, this out of pocket expense can add up extremely fast and can be a deterrent to filling a necessary medication. Numerous studies show that out of pocket costs can contribute to reduced adherence or to not taking medication altogether, resulting in higher healthcare costs elsewhere in the system due to increased hospitalizations, ER visits, and long-term health issues. Massachusetts' prescription drug coupon program can significantly reduce

patient's out of pocket costs for certain drugs, thereby ensuring patients can afford the medicines they need to live healthy and productive lives.

Based on the above facts, we'd respectfully suggest that the HPC consider the following during the completion of your study:

1. When assessing any change in utilization of generic versus brand name, clearly recognize that coupons are banned when an AB generic is available. Most existing studies and subsequent conclusions about prescription drug coupon programs are based on data from states which allow coupons for drugs where AB generics exist.
2. When looking at whether there is any change among therapeutically-equivalent brand name drugs, recognize that other factors are influencing utilization decisions; especially, the impact of formularies, tiering, prior authorization, and step therapy implemented by payers. Those factors often dictate which brand name drug a patient is allowed to receive versus any other regardless of coupon availability/usage.
3. The importance of access to innovative therapies and patient adherence should not be overlooked in the broad scope of the study. Coupons may be the difference between filling a necessary prescription and not due to high out of pocket costs set by payers for a wide range of drugs.

Massachusetts should join the rest of the nation and make permanent the ability for manufacturers to offer prescription drug coupon programs as a recognized way to improve patient health, ensure equitable access to all prescription drugs including breakthrough medicines, and to avoid other costs in the system.

Thank you for your time and consideration of these comments. Because prescription drug coupon programs differ from company to company, I would like to request a meeting with HPC staff in the next few weeks to bring in a small number (4-5) company representatives to explain their company's program methodology. Our office will reach out to you to see if we can schedule a meeting.

Sincerely,

A handwritten signature in black ink that reads "RK Coughlin". The signature is written in a cursive, flowing style.

Robert K. Coughlin
President & CEO