



Oregon Prescription Drug Affordability Board (PDAB) Regular Meeting
Wednesday, December 18, 2024
Minutes approved by the board on January 15, 2025

Web link to the meeting video: <https://www.youtube.com/watch?v=cIL-J-IPQD4>

Web link to the meeting materials: <https://dfr.oregon.gov/pdab/Documents/20241218-PDAB-document-package.pdf>

Call to order and roll call: Chair Shelley Bailey called the meeting to order at 9:31 am and roll was called.

Board members present: Chair Shelley Bailey, Vice Chair Amy Burns, Dan Hartung, Lauri Hoagland, Robert Judge, Dan Kennedy, Chris Laman, John Murray

Absent: None

Robert Judge said he would be leaving the meeting around 11:30 a.m. due to a scheduling conflict.

Declaration of conflict of interest: Robert Judge and John Murray disclosed potential conflicts of interest. View at video minute [00:00:40](#).

Approval of board minutes: Chair Bailey asked for a motion and second to approve the board minutes as shown on [Pages 3-4](#) of the agenda materials, with any amendments. Dan Kennedy made a motion to approve the minutes and John Murray provided a second. View at video minute [00:02:05](#).

MOTION to approve the November 20, 2024, minutes

Board Vote:

Yes: Dan Hartung, Lauri Hoagland, Robert Judge, Dan Kennedy, Chris Laman, John Murray, Vice Chair Amy Burns, Chair Shelley Bailey

No: None

Motion passed 8-0

Executive director's program update: Ralph Magrish provided a program update. View the video at minute [00:03:50](#).

Public comment: Chair Bailey called on the people who signed up in advance to speak to the board: Eric Lohnes, PhRMA, Lorren Sandt, Caring Ambassadors Program, Terrell Sweat, Johnson and Johnson, Ranier Simons, Community Access National Network, Jen Laws, Community Access National Network, Brian Warren, Biotechnology Innovation Organization. The board received 10 written comments, which are posted on the [PDAB website](#). View the speakers at video minute [00:05:13](#) and minute [00:28:15](#).



Board discussion and vote on policy recommendations for the Oregon Legislature: Cortnee Whitlock, board policy analyst, and Chair Shelley Bailey led board members in a discussion for ten policy recommendations. Recommendation 9 was added with edited language from recommendation 8, resulting in 11 policies being voted on. Board members voted to approve policy recommendations 1-5, 7, and 9-11 for including in the annual report. View the draft updated policy recommendations on [Pages 6-9](#) of the agenda materials. View the updated recommendations with board changes on [Pages 10-14](#). View the discussion and votes at video minute [00:21:38](#).

Note: read the policy recommendations on Pages 5-9 attached to the minutes.

MOTION to approve policy recommendations 1-3 to include in the annual report.

Motion made by Dan Hartung with a second by Amy Burns.

Board vote:

Yes: Dan Hartung, Lauri Hoagland, Robert Judge, Dan Kennedy, Chris Laman, John Murray, Vice Chair Amy Burns, Chair Shelley Bailey

No: None

Motion passed 8-0

MOTION to approve policy recommendation 4 to include in the annual report.

Motion made by Robert Judge with a second by Amy Burns.

Board vote:

Yes: Dan Hartung, Lauri Hoagland, Robert Judge, Dan Kennedy, Chris Laman, John Murray, Vice Chair Amy Burns, Chair Shelley Bailey

No: None

Motion passed 8-0

MOTION to approve policy recommendation 5 as amended by the board today to include in the annual report.

Motion made by Dan Hartung with a second by John Murray.

Board vote:

Yes: Dan Hartung, Lauri Hoagland, Dan Kennedy, Chris Laman, John Murray, Vice Chair Amy Burns, Chair Shelley Bailey

No: None

Abstain: Robert Judge

Motion passed 7-0

MOTION to approve policy recommendation 6 as amended by the board today to include in the annual report.

Motion made by Dan Kennedy with a second by John Murray.



Board vote:

Yes: Lauri Hoagland, Dan Kennedy, John Murray, Chair Shelley Bailey

No: Dan Hartung, Robert Judge, Chris Laman, Vice Chair Amy Burns

Motion failed 4-4

MOTION to approve policy recommendations 7 to include in the annual report.

Motion made by Chris Laman with a second by Dan Kennedy.

Board vote:

Yes: Lauri Hoagland, Robert Judge, Dan Kennedy, Chris Laman, John Murray, Vice Chair Amy Burns, Chair Shelley Bailey

No: Dan Hartung

Motion passed 7-1

MOTION to approve policy recommendation 8 to include in the annual report.

Motion made by John Murray with a second by Dan Kennedy.

Board vote:

Yes: Lauri Hoagland, Dan Kennedy, John Murray, Chair Shelley Bailey

No: Dan Hartung, Robert Judge, Chris Laman, Vice Chair Amy Burns

Motion failed 4-4

MOTION to approve policy recommendations 9 as amended by the board today to include in the annual report.

Motion made by John Murray with a second by Amy Burns.

Board vote:

Yes: Dan Hartung, Lauri Hoagland, Dan Kennedy, Chris Laman, John Murray, Vice Chair Amy Burns, Chair Shelley Bailey

No: Robert Judge

Motion passed 7-1

MOTION to approve policy recommendation 10 as amended by the board today to include in the annual report.

Motion made by Dan Kennedy with a second by John Murray.

Board vote:

Yes: Dan Hartung, Lauri Hoagland, Dan Kennedy, John Murray, Chair Shelley Bailey

No: Chris Laman, Vice Chair Amy Burns

Absent for the vote: Robert Judge

Motion passed 5-2



MOTION to approve policy recommendation 11 as amended by the board today to include in the annual report.

Motion made by Dan Hartung with a second by Dan Kennedy.

Board vote:

Yes: Dan Hartung, Lauri Hoagland, Dan Kennedy, John Murray, Chair Shelley Bailey

No: Chris Laman, Vice Chair Amy Burns

Absent for the vote: Robert Judge

Motion passed 5-2

Board discussion and vote on annual report to the Oregon Legislature: Cortnee Whitlock led the board in a discussion of the annual report. The board voted to approve the annual report and send to the Oregon Legislature and Health Care Cost Growth Target program in December. View the annual report on [Pages 15-31](#) of the agenda materials. View the discussion and votes at video minute [02:40:33](#).

MOTION to approve the annual report as amended by the board today with the policy recommendations voted on by the board today, and deliver to the Oregon Legislature and Health Care Cost Growth Target program by Dec. 31, 2024, as required in ORS 646A.696.

Motion made by Dan Kennedy with a second by Lauri Hoagland.

Board vote:

Yes: Dan Hartung, Lauri Hoagland, Dan Kennedy, Chris Laman, John Murray, Vice Chair Amy Burns, Chair Shelley Bailey

No: None

Absent for vote: Robert Judge

Motion passed 7-0

The agenda item about the board receiving the initial, preliminary list of prescription drugs and insulin for affordability review was postponed due to lack of time.

Announcements: Chair Bailey announced the next meeting will be Jan. 15, 2025. Meetings will begin at 9:00 a.m. in 2025. View at video minute [02:44:40](#).

Adjournment: Chair Bailey adjourned the meeting at 12:30 pm with all board members in agreement. View at minute [02:45:10](#).



UPDATED Proposed policy recommendations

Potential Senate Bill 844 clean-up

1. **Propose a language change from “nine drugs a year” for affordability reviews to “up to nine” drugs a year.**
 - The recommendation is to revise language in SB 844 to remove the requirement to review nine drugs and change the language to “review up to nine prescriptions drugs.” This change will ensure that the board focuses on reviewing drugs that are known to cause affordability challenges, based solely on cost or criteria, rather than trying to identify drugs that may or may not cause challenges to the health system or out-of-pocket costs to meet legislative thresholds. The initial review process revealed challenges in identifying specific drugs, as some may not actually cause affordability issues.
2. **Remove requirement that Department of Consumer and Business Services (DCBS) provide Prescription Drug Affordability Board (PDAB) with a list of prescription drugs each calendar quarter.**
 - The information is provided to PDAB by DCBS under ORS 646A.689 (2) and (6) and ORS 743.025, including insulin products that are submitted annually by prescription drug manufacturers and health insurance carriers. Manufacturers are required to report 60 days prior to a price increase for brand-name and generic prescription drugs in accordance with ORS 646A.683 (2), but the information is based on the current year and may not apply to the reporting requirement in ORS 646A.694 to review drugs from the previous calendar year. Removing the quarterly reporting language will ensure a more accurate review of prescription drugs by the board.
3. **Removal of the generic drug report annual requirement, with a new provision that relevant content would be incorporated into the affordability review report. The information could include generics or biosimilar availability, pricing, and marketplace commentary when relevant to drugs under review**
 - The generic drug market does not have significant year-over-year changes, and the current report does not provide significant market identifiers that impact prescription medication prices and costs. Any significant impact of the market system will be captured in the annual report requirements under OAR 646A.696.



Additional recommendations

4. Patient assistance program (PAP) reporting to the Drug Price Transparency (DPT) program

- Expand PAP requirements to include manufacturer coupons and any other payment that reduces a patient's out-of-pocket cost to fill a prescription. The board also recommends manufacturers be required to report on all patient assistance programs they maintain or fund.

5. Pharmacy benefit managers (PBM) and insurer reporting on copay accumulators and maximizers [to the Drug Price Transparency \(DPT\) program](#)

- Implement mandatory reporting on copay accumulator and maximizers programs to ensure equitable access to essential medications and prioritize transparency. With enhanced reporting, the board will aim to monitor the impact of copay accumulators on patient costs and access to medications.

6. Uniform reimbursement rate for critical access pharmacies (CAPs). This applies to all PBMs CAPs contract with

- Uniform reimbursement rate: All claims for prescription drugs and services provided by critical access pharmacies (CAPs), whether under Fee-For-Service (FFS) Medicaid, coordinated care organizations (CCOs), commercial insurance, or any prescriptions adjudicated through exchange payors, shall be reimbursed at the exact same rate as the CAP FFS Medicaid rate. This ensures payment parity for all payors when reimbursing CAPs.
- Non-discriminatory reimbursement: CCOs, commercial payors, and PBMs would be prohibited from reducing payments or imposing discriminatory terms on CAPs. All payors must adhere to the CAP FFS Medicaid rate when reimbursing CAPs for identical services or medications.
- All payors, including Coordinated Care Organizations (CCOs), commercial health plans, health insurance plans offered through state or federal exchanges, and Pharmacy Benefit Managers (PBMs), shall utilize a pass-through pricing model for all prescription drugs.
- Under such model, the amount billed to the payor for each dispensed prescription shall be equal to the amount reimbursed to the pharmacy, consisting solely of the Average Actual Acquisition Cost (AAAC) plus the state-determined dispensing fee.
- The pass-through pricing model shall not alter patient copayment amounts.



7. Consolidated Appropriations Act (CAA) disclosures about reimbursements and fees to employer plans from brokers

- Any broker or entity facilitating the purchase of health insurance or prescription drug benefits for purchasing entities must provide an annual disclosure of all direct and indirect compensation received, as required by the CAA. This disclosure must include any commissions, fees, or other forms of compensation related to the transaction.
- Brokers must proactively offer these CAA-compliant disclosure schedules in writing to the relevant purchasing entities (OEBC, PEBB, FFS, Medicaid, ArrayRx, etc.) during contract negotiations or renewals and no later than 30 days prior to the renewal of any contract or service agreement.

8. ~~Minimum dispensing fees~~ across all payers

- Minimum reimbursement for all prescriptions: All payors, including CCOs, commercial health plans, ~~exchange-based health insurance plans~~, and PBMs operating within the state, shall reimburse pharmacies at a rate that is no less than the average actual acquisition cost (AAAC) of the drug plus the state-determined dispensing fee. This reimbursement structure shall apply to all prescriptions dispensed by pharmacies in Oregon.
 - The AAAC of a drug shall be determined based on the Oregon Medicaid AAAC pricing or the equivalent national pricing index adopted by the Oregon Health Authority (OHA).
- ~~The dispensing fee shall be equal to or greater than the dispensing fee used in Oregon's Fee for Service Medicaid program, which is currently \$10.65. The dispensing fee may be updated periodically based on updated surveys or economic conditions.~~
- Prohibition of below-cost reimbursement: PBM or payors shall not reimburse a pharmacy at or below the pharmacy's acquisition cost for any prescription drug.
- All payors, including Coordinated Care Organizations (CCOs), commercial health plans, health insurance plans offered through state or federal exchanges, and Pharmacy Benefit Managers (PBMs), shall utilize a pass-through pricing model for all prescription drugs.
- Under such model, the amount billed to the payor for each dispensed prescription shall be equal to the amount reimbursed to the pharmacy, consisting solely of the Average Actual Acquisition Cost (AAAC) plus the state-determined dispensing fee.

The pass-through pricing model shall not alter patient copayment amounts.



9. All payors, including CCOs, commercial health plans, and PBMs operating within the state shall reimburse dispensing fee equal to or greater than the dispensing fee used in Oregon's Medical Assistance Programs. The dispensing fee may be updated periodically based on updated surveys or economic conditions. The model shall not alter patient copayment amounts.

9.10. OHP FFS and CCOs purchasing through a statewide purchasing group

- Statewide purchase groups shall utilize ~~are~~ programs that leverage the collective buying power of state agencies to secure better prices and terms for goods and services. These programs are designed to make procurement more efficient and cost-effective for state and local government entities.

10.11. Statewide Preferred Drug List (PDL) for Oregon Health Plan (OHP) FFS

- OHP FFS has a uniform PDL for some classes. However, to use the most cost-effective medications and to reduce administrative burdens for providers, it is recommended to extend the current PDL for all classes to CCOs for coverage of prescription drugs.



Definition of terms

Name	Abbreviation
Average actual acquisition cost	AAAC
Consolidated Appropriations Act	CAA
Coordinated care organizations	CCOs
Critical access pharmacies	CAP
Department of Consumer and Business Services	DCBS
Drug Price Transparency	DPT
Fee-For-Service	FFS
Oregon Health Authority	OHA
Oregon Health Plan	OHP
Patient assistance program	PAP
Pharmacy benefit managers	PBM
Preferred drug list	PDL
Prescription Drug Affordability Board	PDAB