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GREEN MOUNTAIN CARE BOARD

Act 193 of 2019: Prescription Drug Transparency & Cost Containment

Green Mountain Care Board

Prescription Drug Technical Advisory Group

December 1, 2020

GMCB Impact of Prescription Drugs on Health Insurance Premiums Report

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- Compile insurer reporting into a consumer-friendly report to demonstrate the impact of drug costs on insurance premiums. Data from the insurers will be aggregated and insurers with more than 1,000 lives in the state for major medical shall report
  a) 25 most frequently prescribed and AWP;
  b) 25 most costly drugs by total plan spending and AWP;
  c) 25 drugs with highest year-over-year price increases and AWP.
- Due annually January 1st

DVHA Prescription Drug Lists

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- The Department shall create
  1) A list of 10 prescription drugs on which Vermont spends significant funds on and for which the WAC increased by 50% or more over last 5 years, or by 15% or more over previous calendar year, and
  2) A list of 10 prescription drugs the state spends significant funds on and the cost to DVHA (net of rebates and other price concessions) has increased by 50% or more over the last 5 years, or by 15% or more over previous calendar year.
- Lists must include 1 generic and 1 brand-name drug and indicate each of the drugs on the list that the Department considers to be specialty.
- Due Annually June 1st

Health Insurer Prescription Drug Lists

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- Insurers with more than 5,000 covered lives for major medical shall create a list of 10 prescription drugs the plan spends significant amounts of their premium dollars and the cost of the plan (net or rebates and other price concessions) has increase by 50% or more in last 5 years or by 15% or more in last calendar year. Lists to include 1 generic and 1 brand name drug and which are considered specialty.
- Due annually June 1st

Reporting Requirements for Price Increases

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- The Attorney General shall identify 15 drugs with price increases listed as sources of significant spending (generic and brand name drugs) based off the submissions from DVHA and the insurers.
- Manufacturers must provide justification for the increase in the net cost of the drug to DVHA, one or more insurers (or both), which shall be provided to the Attorney General with all relevant information and supporting documentation, including:
  a) each factor that caused the net increase,
  b) percentage of total cost increase attributable to each factor, and
  c) explanation of role of each factor in contributing to cost increase.
- Due annually December 1st

Notice of Introduction of New High-Cost Rx Drugs

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- The manufacturer must notify the Attorney General in writing if they are introducing a new prescription to market at a WAC that exceeds the threshold set for a specialty drug under the Medicare Part D program within 3 calendar days following release of the drug in commercial market.
- No later than 30 calendar days following notification to the Attorney General, the manufacturer must include:
  1) Description of marketing plan in launch of new drug;
  2) Expected utilization (e.g. volume of patients);
  3) FDA drug approval designation;
  4) Date of acquisition and acquisition cost (if any).
- Office of the AG to publish the information on its website at least quarterly.

Filing & Approval of Policy Forms and Premiums

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- In conjunction with rate filing, an insurer shall disclose:
  1) Percentage of the premium rate attributable to prescription drug costs for the prior year for each category of prescription drugs; and
  2) Year-over-year increase or decrease in PMPM a) total health plan spending on each category of prescription drugs, and b) costs for prescription drugs compared to other components of the premium rate.
  3) Information on PBM use, including which components of the prescription drug coverage are managed by the PBM, as well as the name of the PBM used.
- Enforced by DFR and the Office of the Attorney General and submitted with rate filing.