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May 23, 2019

Mr. David Seltz, Executive Director
Massachusetts Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02143

Re: Coupons, discounts, and other product vouchers for prescription drugs – notice of public listening session

The Coalition of State Rheumatology Organizations (CSRO) is a national organization composed of over 30 state and regional professional rheumatology societies, including our member society in Massachusetts. CSRO was formed by physicians to ensure excellence and access to the highest quality care for patients with rheumatologic, autoimmune, and musculoskeletal disease. It is with this in mind that we write to you regarding co-pay assistance and its importance to patients diagnosed with the conditions we treat.

As you weigh the impact of co-pay assistance, CSRO would like to offer the following comments:

Rheumatologists are entrusted with the safe care of patients with rheumatoid arthritis and other autoimmune diseases that require the careful choice of safe and effective pharmaceutical and biological therapies. In many cases, this entails prescribing life changing, albeit expensive, drug therapies. Despite this, rheumatologists are not unconcerned with the financial impact that these therapies have on patients. The increasingly untenable financial burden borne by patients with musculoskeletal illnesses has had undeniable consequences with respect to therapy initiation, adherence, and ultimate outcomes.

Analysis of the Kaiser 2017 Employer Health Benefits Survey found increasing usage of four tier and specialty tier formularies. Beneficiary cost sharing in the fourth and specialty tiers was found to be substantially greater than at lower tiers. That gap is widening. Copayments on the fourth tier were found to be ten times greater than copayments on the first tier. Use of coinsurance, where beneficiaries pay a percentage of the drug's cost rather than fixed dollar co-pay, is more common for fourth and specialty tier drugs. The analysis concludes that 40% of beneficiaries in the survey faced coinsurance for fourth tier drugs, and 46% faced coinsurance for specialty tier drugs. Coinsurance amounts averaged 28% and 27% in these tiers respectively. The analysis concludes that beneficiaries would pay on average greater than \$1,100

for a specialty prescription that cost \$4,000 each time it was filled.¹² This trend coupled with the concurrently increasing use of high deductible health plans has left beneficiaries exposed to enormous recurring pharmacy costs.³ Costs of this magnitude have been shown to have enormous consequences for initiation and adherence of therapies.⁴

As a result, co-pay assistance and other discount programs have become a necessary tool for patients to afford medically necessary therapies, who could not otherwise absorb costs of the magnitude described. Indeed, a February 2018 analysis of the prescription drug couponing environment in the United States found that 51% of brand name medications with coupons were for drugs with no generic substitute, and that 12% of those drugs had no appropriate therapeutic whatsoever.⁵ Conversely 49% of brand name medications with coupons had competing generics or were facing generic entry. **However, these 49% do not warrant a total ban on the use of co-pay assistance**, when it would leave patients without recourse or protection from untenable cost-sharing for 51% of the drugs surveyed in this study.

This is particularly true for patients with complex autoimmune conditions such as rheumatoid arthritis, brand name medications are often medically necessary even when other treatment options in the same therapeutic class exist. The aforementioned conditions are extremely complex and present unpredictably, necessitating a high degree of individualized and attentive care. Physicians may spend multiple years of trial and error finding a treatment regimen that properly manages their condition. The resulting course of treatment must carefully balance each individual's unique medical history, co-morbid conditions, and side-effect balancing drug interactions. This equilibrium is carefully chosen and tenuous. Slight deviations in treatment and variations between drugs, even those in the same therapeutic class, can cause serious adverse events. Aside from needless harm, the resulting disease progression can be irreversible, life threatening, and cause the individual's original treatment to lose effectiveness. **Because drugs that treat these conditions are not necessarily substitutable or interchangeable even within a therapeutic class, it does not necessarily follow that a patient would utilize a less expensive drug absent use of co-pay assistance.**

It must be noted that even the biosimilar products that are designed to compete with brand name biologic products themselves have co-pay assistance programs due to the inherent expensiveness of specialty medications. Allowing Massachusetts' legalization of co-pay assistance to sunset

¹Fein, A. J. (2017, November 07). Employer Pharmacy Benefits in 2017: More Cost-Shifting to Patients As Tiers and Coinsurance Expand. Retrieved from <https://www.drugchannels.net/2017/11/employer-pharmacy-benefits-in-2017-more.html>

²Kaiser Family Foundation (2018, July 31). 2017 Employer Health Benefits Survey - Section 9: Prescription Drug Benefits. Retrieved from <https://www.kff.org/report-section/ehbs-2017-section-9-prescription-drug-benefits/>

³Claxton, G., Levitt, L., Rae, M., & Sawyer, B. (2018, June 15). Increases in cost-sharing payments continue to outpace wage growth. Retrieved from <https://www.healthsystemtracker.org/brief/increases-in-cost-sharing-payments-have-far-outpaced-wage-growth/#item-start>

⁴Devane, K., Harris, K., & Kelly, K. (2018, May 18). Patient Affordability Part Two: Implications for Patient Behavior & Therapy Consumption (Rep.). Retrieved <https://www.iqvia.com/locations/united-states/patient-affordability-part-two>

⁵Nuys, K. V., Joyce, G., R. R., & Goldman, D. P. (2018, February). A Perspective on Prescription Drug Copayment Coupons (Rep.). Retrieved https://healthpolicy.usc.edu/wp-content/uploads/2018/02/2018.02_Prescription20Copay20Coupons20White20Paper_Final-2.pdf

would leave many patients without recourse even when the competing product is determined to be medically appropriate.⁶

CSRO respectfully urges that the Massachusetts Health Policy Commission takes the nuances of treatment for these patient populations into account. Specifically, CSRO believes that the use of co-pay assistance should remain allowable under Massachusetts state law, particularly when no medically appropriate AB rated generic medication is available to a patient.

CSRO recognizes that co-pay assistance programs are not an ideal substitute to care that is affordable in the first place. However, co-pay assistance remains the only option many patients with chronic conditions have to afford their medically necessary treatments.

Respectfully,

A handwritten signature in black ink, appearing to read "M. Feldman". The signature is fluid and cursive, with the first letter of the last name being a large, stylized 'F'.

Madelaine Feldman, MD, FACR
President, CSRO

⁶ For example see the patient copay assistance program available for Zarxio. Zarxio is a biosimilar product to Amgen's Neupogen (filgrastim) manufactured by Novartis Sandoz:
<https://www.zarxio.com/resources/patient-support/>