

May 24, 2019

Submitted via email to: HPC-Testimony@mass.gov

Ms. Lois Johnson, Esq.
General Counsel
Massachusetts Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Re: Public Listening Session Regarding the Impact of Coupons, Discounts, and Product Vouchers for Prescription Drugs on Pharmaceutical Spending and Health Care Costs

Dear Ms. Johnson,

Thank you for the opportunity to submit a written statement to the Health Policy Commission (HPC) regarding the impact of coupons, discounts, and product vouchers for prescription drugs on pharmaceutical spending and healthcare costs. These important patient-centered programs enable the underinsured to access the medicines they need, help to address gaps in healthcare coverage, can improve adherence to medication, and can reduce abandonment rates and visits to the emergency department.

GlaxoSmithKline (GSK) is a science-led global healthcare company that researches and develops a broad range of innovative medicines and vaccines to help patients do more, feel better, and live longer. We have three global businesses that research, develop, and manufacture innovative pharmaceutical medicines, vaccines, and consumer healthcare products. Our goal is to be one of the world's most innovative, best performing, and trusted healthcare companies.

When establishing prices for our products, we strive for a fair and appropriate balance that rewards innovation while affording appropriate access for patients. We focus not just on pricing trends, but on improving patient's health outcomes and meeting unmet health needs. GSK is committed to working with policymakers to advance value-based solutions that further enhance the private marketplace, lower costs for patients, and promote continued medical innovation – and it starts with greater collaboration within the healthcare system.

Patient out-of-pocket costs have increased in recent years and have become the focus of policy debates on both the federal and state levels. Spending on pharmaceuticals is often at the forefront of the debate despite pharmaceutical spending only accounting for approximately 10-17 percent of total national health expenditures.¹ Effective policy solutions, however, consider the entire drug supply chain and focus holistically on addressing gaps in insurance coverage, prevention, and disease management. Focusing narrowly on pharmaceutical spending alone will not fix the access barriers that make it challenging for patients to afford basic healthcare.

Policy changes in recent years have expanded access to insurance coverage for individuals throughout the United States, however, patients are also facing higher copays, higher premiums, and formulary restrictions for varying classes of medicines – including primary care and specialty. For certain patients, this cost-sharing presents a financial hardship and limits access to the medicines they need.

¹National Health Expenditure Pew Charitable Trusts, "A Look at Drug Spending in the U.S., Estimates and projections from various stakeholders" (February 2018).

Approximately 15.5 percent of Americans 19 to 64 years old are uninsured as of mid-2018,² and many of those who do have insurance are classified as underinsured (spending 10 percent or more out-of-pocket of their household income on healthcare)³ or functionally uninsured (cannot afford to use their healthcare coverage, or it does not cover the medicine they need). Average patient out-of-pocket spending on prescription medicine rose by 54 percent from 2006 to 2016.⁴ This increase represents payments toward coinsurance (a percent of total cost a patient pays after deductible) and copayments (a fixed amount a patient pays for prescriptions and doctor visits).

GSK believes all patients should have access to the medicines they need. GSK's patient assistance programs, copay assistance programs, reimbursement support services, and foundation support are offered as safety nets for people who are unable to access appropriate medicines or vaccines through third party coverage. As a patient-focused company, GSK prioritizes helping patients access and afford medicines and vaccines. GSK's patient assistance programs provide medicines and vaccines at no cost to eligible patients. GSKforyou.com (1-866-728-4368) is GSK's US prescription access support website where patients and others may learn more about GSK Patient Assistance programs, copay assistance, and other GSK and external resources available.

On April 15, GSK began sharing our list prices and typical out-of-pocket costs for commercial, Medicare, and Medicaid patients on GSKForYou.com for our medicines currently advertised on television. Similarly, on May 13, PhRMA launched its [Medicine Assistance Tool](#) (MAT) to bring greater transparency to the cost of medicine. The tool provides patients, caregivers, and providers with links to the websites now referenced in member company television commercials. These websites provide information on list prices and average, estimated, or typical patient out-of-pocket drug costs. MAT also connects patients with manufacturer financial assistance programs. These helpful resources are available for patients once they are prescribed a medication by their health care provider.

Copay assistance, including coupons, and charitable patient assistance programs enable the underinsured and uninsured to access the medicines they need and help to address gaps in healthcare coverage. These programs also improve adherence to medication and can reduce abandonment rates and visits to the emergency department, which lead to lower healthcare costs.

- In 2018, an IQVIA analysis found that new patient abandonment rates are 50 percent lower when copay cards are used compared to what they would have been without copay cards.⁵
- Moreover, more than 75 percent of patients who abandon a prescription do not fill any therapy within 90 days, indicating that patients are not switching to lower cost alternatives, but are failing to start treatment altogether.⁶
- When monthly out-of-pocket cost can be kept below \$250 for an initial specialty drug prescription, patients are less likely to abandon therapy. When that data is combined with coupon utilization data, the analyses suggest that in the vast majority of cases, coupons reduced patients' monthly

² Sara R. Collins, et al. First Look at Health Insurance Coverage in 2018 Finds ACA Gains Beginning to Reverse. Commonwealth Fund. 5/1/2018. <https://www.commonwealthfund.org/blog/2018/first-look-health-insurance-coverage-2018-finds-aca-gains-beginning-reverse>.

³ Sara R. Collins, et al., "The Problem of Underinsurance and How Rising Deductibles Will Make It Worse," Commonwealth Fund 5/20/2015. <https://www.commonwealthfund.org/publications/issue-briefs/2015/may/problem-underinsurance-and-how-rising-deductibles-will-make-it>.

⁴ Gary Claxton, et al., Increases in cost-sharing payments continue to outpace wage growth. Kaiser Family Foundation. 6/15/2018. <https://www.healthsystemtracker.org/brief/increases-in-cost-sharing-payments-have-far-outpaced-wage-growth/#item-start>.

⁵ IQVIA, "Patient Affordability Part One: The Implications of Changing Benefit-Designs and High Cost-Sharing" (May 2018) and "Patient Affordability Part Two: The Implications of Patient Behavior and Therapy Consumption" (May 2018).

⁶ Id.

cost to less than \$250, thus reducing the potential rate of abandonment. Additionally, for patients with a high deductible, coupons may be especially helpful because half of the patients who are required to pay more than \$2,000 per month abandon their therapy.⁷

- Pharmaceutical manufacturers' patient assistance programs account for 10 of the largest 15 U.S. charities and provided \$6.5 billion of support in 2014 (the latest year data was available at the time of the study). On average, manufacturers' financial support accounts for eight percent of their operating expenses.⁸
- In 2017, the number of uninsured people in the U.S. increased by nearly 700,000 people, the first increase since implementation of the Affordable Care Act, which means that charitable programs that provide free drug, and programs that provide cost-sharing assistance are likely to become even more important in the years to come. Because people without health coverage are less likely than those with insurance to have regular outpatient care, they are more likely to be hospitalized for avoidable health problems and to experience declines in their overall health.⁹
- In a study in Washington state, patients who received coordinated prescription assistance experienced a 51 percent reduction in the likelihood of visiting the emergency department or hospital, highlighting the potential benefits of direct assistance in helping patients access needed prescriptions through charitable patient assistance programs.¹⁰
- In a study of six manufacturer charitable patient assistance programs, assisting patients with access to adalimumab led to a 14 percent improvement in adherence and 10 percent lower costs than non-patient assistance patients.¹¹

Co-pay assistance is not a one-time solution and that is why it can help patients to be adherent to their medicines. The timing and duration of co-pay assistance depends on the specific medicine, the disease state being treated, the patient's insurance benefit, and whether the insurer implements an accumulator adjustment programs (which do not count co-pay assistance towards patient cost-sharing). Most manufacturer co-pay assistance programs and independent co-pay foundation programs place a monetary cap on the amount of money a patient may use in any given year. Therefore, patients may be able to use co-pay assistance over the course of a year until the cap is reached. Some co-pay programs at independent foundations will allow patients to exceed the maximum cap for assistance if they are having financial hardship, which would allow patients to afford medications for a longer period of time. Additionally, traditional charitable free drug patient assistance programs usually approve a patient for a full year, and then the patient would need to reapply the following year.

Thus, copay assistance and patient assistance programs play a vital role not only in providing access to health care but also in improving patient health outcomes and lowering overall patient costs. For these reasons, GSK respectfully recommends that Massachusetts continue to allow these important programs to be used in the Commonwealth as we work together to improve affordability and the quality of care for patients.

⁷ Health Affairs, "Specialty Drug Coupons Lower Out-Of-Pocket Costs and May Improve Adherence At The Risk Of Increasing Premiums." Oct 2014. <https://doi.org/10.1377/hlthaff.2014.0497>

⁸ Sanford C. Bernstein, et al. as cited by Adam Fein in Drug Channels, "Patient Assistance Programs: Why Pharmaceutical Manufacturers Operate the Biggest U.S. Charities." (June 1, 2017).

⁹ Kaiser Family Foundation, "Key Facts about the Uninsured Population" (Dec. 7, 2018).

¹⁰ Mason H. Burley, et al., "Connecting Patients to Prescription Assistance Programs: Effects on Emergency Department and Hospital Utilization." J Manag Care Spec Pharm, 2016 Apr; 22(4):381-387. <https://doi.org/10.18553/jmcp.2016.22.4.381>.

¹¹ Value in Health Journal. "Role of Patient Assistance Program (PAP) in Market Access and Outcomes: Insights from Systematic Literature Review (2013-2017)" May 2018. Volume 21, Supplement 1, Pages S99-S100.

Thank you for your consideration and the ability to provide written comments. Please feel free to contact Paul Graml at Paul.C.Graml@gsk.com or (860) 305-9699 should you have any questions.

Sincerely,



Margaret Nowak Mann
Vice President, US Public Policy
GlaxoSmithKline