MAHP
MASSACHUSETTS ASSOCIATION of HEALTH PLANS

December 18, 2019

David Seltz, Executive Director
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Re: 958 CMR 12.00: Drug Pricing Review Proposed Regulations

Dear Mr. Seltz:

On behalf of the Massachusetts Association of Health Plans (MAHP), which represents 17 health member health plans that provide coverage to nearly 3 million Massachusetts residents, we are providing comments on the Health Policy Commission's (HPC) proposed regulation on the Drug Pricing Review process established pursuant to Chapter 41 of the Acts of 2019. We are supportive of the HPC's proposed regulations and new authority as an important tool for the state in addressing the rising costs of prescription drugs. We appreciate the opportunity to participate in the HPC's stakeholder engagement process and are pleased to offer our comments.

MAHP and our member health plans place a high priority on providing high quality and affordable health care coverage to Massachusetts employers and consumers. We recognize that prescription drug prices continue to be a key cost driver of health care costs and that the prices charged by manufacturers create barriers for patients to receive the treatment they need. As noted in CHIA's *2019 Annual Report of the Massachusetts Health System*, prescription drug spending totaled $9.9 billion in 2018, a 5.8% increase from 2017. Gross pharmacy spending was the largest component of medical expenditure growth, accounting for 26.4% of the increased spending. Clearly these increases are unsustainable and threaten affordability for employers and consumers.

MAHP member health plans have long advocated for policy solutions to address costs, increase transparency and accountability from all stakeholders, including prescription drug manufacturers. Therefore, our plans are supportive of the drug pricing review process as outlined in the proposed regulation, which gives the HPC the authority to investigate the manufacturer's drug prices practices if an agreement cannot be reached between the Executive Office of Health and Human Services (EOHHS) and the manufacturer, as part of their authority to directly negotiate with them for supplemental rebate agreements. This provides an important first step in curbing pharmaceutical spending growth.

The regulations clearly outline the process, the manufacturers' it applies to, the information they are required to provide to HPC and the timeline. Moreover, we feel that the information that manufacturers are required to submit with the Standard Reporting Form is comprehensive and adequate to help determine the value and pricing of a drug. We further recommend that the drug

pricing review process be reevaluated in a year or two to ensure it is functioning as intended. This will provide an opportunity to determine if there are issues that merit changes or require that new authority be given to the HPC or the State. We also recommend that the HPC publicly report their successes, so that the process remains transparent to all stakeholders.

We appreciate the opportunity to provide comments on the proposed Drug Pricing Review regulation and support the work you and your staff at the Commission are doing to implement policies to curb pharmaceutical spending. If you have any questions or require any additional information, please do not hesitate to contact me.

Sincerely,

Sarah Chiaramida
Vice President of Public Programs & Advocacy, General Counsel