

## Health Policy Commission Public Listening Session: Prescription Drug Coupons May 21, 2019

#### Defining drug coupons for HPC analysis

- Prescription drug coupons offered by manufacturers reduce the amount of a patient's cost-sharing, as established by the patient's insurance plan
  - Common terms: coupon, voucher, copay card
  - Distinct from:
    - Patient assistance programs offered by manufacturers, states, or charities for patients who cannot afford their medication
    - Cards or offers that reduce prices for patients without insurance
- Public payers (e.g., Medicare, Medicaid, VA) do not allow the use of coupons



#### Ready to save on ADVAIR? Without registering, you can print a coupon to save up to \$10 on your next prescription.

- · Bring the coupon and your prescription to your pharmacy
- · Offer can only be redeemed once per month
- · Coupon expires 45 days after the date you print it





### Flow of drug coupons in patient out-of-pocket spending



Example: patient is responsible for cost-sharing of \$610, based on insurance plan



Adapted from Memorial Sloan Kettering Cancer Center: Copay Assistance Programs. Available at: https://comm.ncsl.org/productfiles/119423533/DrugPricing-ChenPowerPoint.pdf

#### Background on authorization of drug coupons in the Commonwealth

#### **Legislative History**

- Chapter 139 of the Acts of 2012 authorizes drug manufacturers to provide consumers with drug coupons and vouchers
  - Continues ban on drug coupons for AB rated generic equivalents
  - Sunsets the authorization of drug coupons (January 2015)
- In 2014 and 2016, the Legislature delayed the sunset on drug coupon authorization
- Chapter 363 of the Acts of 2018 delays the sunset on drug coupon authorization until January 2020, and directs the HPC to conduct a study on the matter by June 1, 2019



# Statutory language directing the HPC to complete a study on use of prescription drug coupons in the Commonwealth

Chapter 363 of the 2018 Session Laws, *An Act Extending the Authorization for the Use of Certain Discount Vouchers for Prescription Drugs*, was signed into law on January 2, 2019. It charges the HPC with conducting an analysis and issuing a report evaluating the effect of drug coupons and product vouchers for prescription drugs on pharmaceutical spending and health care costs in Massachusetts.

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Analyze the **total number and value of coupons** redeemed in the Commonwealth, and the **types of drugs** for which coupons were most frequently redeemed.

- Compare any change in utilization of **generic versus brand name prescription drugs**, and any change in utilization among **therapeutically-equivalent brand name drugs**.
- Analyze effects on patient adherence, and access to innovative therapies.
  - Study the **availability of coupons** or discounts upon renewals, and the **cost impact on consumers** upon expiration of coupons.



Analyze the **impact of drug coupons on health care cost containment goals** adopted by the Commonwealth, and commercial and GIC health insurance premiums and drug costs.



#### Framework for analysis of prescription drugs that offer coupons

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Study target: Branded drug that offers coupon	Generic equivalent	Close therapeutic substitute: Generic	Close therapeutic substitute: Branded	No close therapeutic substitute
Example				
Drug with coupon	Lipitor (statin; AB generic available)	Lyrica (nerve pain; no AB generic available)	Repatha (PCSK9; no AB generic available)	Kalydeco (cystic fibrosis; no AB generic available)
Comparator	Atorvastatin (generic Lipitor)	Gabapentin (generic Neurontin)	Praluent	None
Notes	Not eligible in MA		Comparators may also offer coupons	



Source: Van Nuys, Joyce, Ribero and Goldman. University of Southern California Leonard D. Schaeffer Center for Health Policy & Economics. 2018. A Perspective on Prescription Drug Copayment Coupon. Available at: https://healthpolicy.usc.edu/research/prescription-drug-copayment-coupon-landscape/

#### **Prescription drug coupon study timeline**





All dates are approximate