

MAINE STATE LEGISLATURE

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PAUL R. LEPAGE
GOVERNOR

MHDO Maine Health
Data Organization
Information | Insight | Improvement

151 CAPITOL STREET
102 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0102

NEIL KORSEN MD
CHAIR
COMMISSIONER ANNE HEAD
VICE-CHAIR
KARYNLEE HARRINGTON
EXECUTIVE DIRECTOR

December 7, 2018

TO: Senator Keim, Representative Moonen and Members of the Joint Standing Committee on Judiciary

CC: Senator Vitelli, Linda Pistner, Chief Deputy Attorney General, Neil Korsen, MD, MHDO Board Chair, Commissioner Head, MHDO Vice Chair, Acting Commissioner Hamm, DHHS, Joseph Bruno, MQF Board Chair

FROM: Karynlee Harrington, MHDO and MQF

RE: LD 1406, "An Act To Promote Prescription Drug Price Transparency"

Background

In 2018, the Maine State Legislature enacted LD 1406, "An Act To Promote Prescription Drug Price Transparency." The new law directs the Maine Health Data Organization (MHDO) to produce an annual prescription drug report, beginning in December 2018. The annual prescription drug report represents data that is collected by MHDO as detailed in MHDO Rule Chapter 243, *Uniform Reporting System for Health Care Claims Data Sets*.

MHDO is the state's healthcare data center and is responsible for collecting, storing, managing and distributing healthcare data and information, including claims data, hospital inpatient and outpatient encounter data, hospital quality data, as well as financial and organizational data. MHDO maintains over 1 billion healthcare records, and that number grows each month as new data is submitted to MHDO.

MHDO is also required to collaborate with the Maine Quality Forum (MQF) to promote the transparency of healthcare cost and quality information in the State of Maine via a public website. CompareMaine.org is the public website that MHDO and MQF developed for this purpose.

CompareMaine presents the average cost in Maine for over 200 healthcare procedures, by the top five commercial payers, by healthcare facility. It also presents quality data across four categories: patient experience, preventing serious complications, preventing healthcare-associated infections – C. diff, and preventing healthcare-associated infections – MRSA.

The 2018 prescription drug reports will be available on the MHDO website. However, it is our plan that future prescription drug reports will be added to CompareMaine.

New Pharmacy Reporting Requirements

The prescription drug information that MHDO is required to produce as defined in MHDO's governing statute, Title 22 MRSA §8712, sub-§5, by December 1, 2018 and annually thereafter is as follows:

- The 25 most frequently prescribed drugs in the State;
- The 25 costliest drugs as determined by the total amount spent on those drugs in the State; and
- The 25 drugs with the highest year-over-year cost increases as determined by the total amount spent on those drugs in the State.

MHDO has developed three separate interactive prescription drug dashboard reports that display the information above for brand-name drugs, generic drugs, and for a combined brand-name and generic category; and by four payer types: Commercial, Medicaid, Medicare Advantage, and an overall (all-payer) category. The first annual report, produced December 2018, reflects prescriptions filled between September 1, 2016 and June 30, 2017 (most recent 12-month period). **To access the MHDO's new interactive prescription drug reports please click here: <https://mhdo.maine.gov/tableau/prescriptionReports.cshtml>.**

These interactive prescription drug reports allow users to toggle between payer type groups and brand-name or generic drugs. For example, a user can easily view whether the costliest drugs for MaineCare members are like those for individuals covered by Commercial plans; or they could examine whether there are substantial differences in the most commonly used drugs between payer types. Users can also explore differences in the use of brand-name or generic drugs, by selecting the drop-down category to update the display.

Please note that the information in this memo about how individual drugs are used comes from the Food and Drug Administration (FDA) or the manufacturer websites. The drug class information contained in the interactive Prescription Drug Reports comes from the American Hospital Formulary Service (AHFS) Drug Information.

Summary of Methodology and Observations

All three prescription drug reports present information based on prescriptions filled between September 1, 2016 and June 30, 2017 that is available in the MHDO's All-Payer Claims Database (APCD). Each report displays the National Drug Code (NDC), drug name, drug class(es), count of prescriptions, count of individuals receiving the prescriptions, cost of the drug and—in the case of the report showing year-over-year change—the difference in cost between the most recent and previous 12-month period.

High-Level Observations:

- The most frequently prescribed drugs are a mix of generic and brand-name drugs.
- Most of the costliest drugs, as well as those with the highest year-over-year cost increases, are brand-name drugs.
- Several drugs have both high utilization and high cost; however, only Eliquis—a brand-name drug prescribed for stroke and blood clot prevention—appears in the Top 25 on all three reports, regardless of payer.

Observations from each report are summarized below.

Top 25 Most Frequently Prescribed Drugs

This report ranks drugs by the number of prescriptions filled.

Across all payers:

- The most frequently prescribed drug is hydrochlorothiazide, a generic blood pressure medication.
- The second most frequently prescribed drug is Suboxone, a brand-name drug used to treat opiate dependence.
- The third most frequently prescribed drug is Proair HFA, an inhaler for asthma and COPD.
- The 25 most frequently prescribed drugs have a wide range of costs, from less than \$5 to over \$646 per prescription on average. The total costs for the top 25 most frequently prescribed drugs range from \$182,000 to more than \$24 million for the 12-month reporting period.
- Of the Top 25 most frequently prescribed drugs in Maine, 7 are cardiovascular drugs, mostly blood pressure medications, including 4 different formulations of Lisinopril; 5 are inhalers; and 3 are antidepressants.

Top 25 Costliest Drugs

This report ranks drugs by the overall cost of the drug defined as the total dollar amount the insurance company and the individual paid a pharmacy for a prescription of the drug.

- Commercial and Medicare Advantage plans spent more money on Humira Pens—a brand-name drug typically prescribed for arthritis pain—than any other drug; the \$74,466,000 spent on this drug was almost three times the amount spent on the second costliest drug. For MaineCare, Humira Pens was the fourth most costly drug. Across all payers, approximately 2,000 individuals filled prescriptions for Humira Pens during this time.
- MaineCare’s costliest drug during this period was Suboxone, a brand-name drug used to treat opiate dependence.

25 Drugs with Highest Year-Over-Year Increases

This report ranks drugs by the increase in total dollar amount the insurance company or MaineCare and the individual paid a pharmacy for prescriptions of this drug when compared to the previous 12 months.

Across all payers:

- Several of the drugs with the highest increases were variations of the same drug, but with different NDCs. Eliquis, Zytiga, Trulicity, and Revlimid each appear on the list multiple times.
- Multiple Ellipta COPD inhalers with different drug combinations appear on the list.
- Five of the drugs, including Zytiga and Revlimid, are cancer drugs.
- Six of the drugs, including Trulicity, are hormones or synthetic substitutes used daily by diabetics.

Overview of the Methodology Used to Generate Reports

The new MHDO interactive prescription drug reports include a count of how frequently a medication was prescribed between September 1, 2016 and June 30, 2017, and the total amount spent on those drugs. These analyses focus on prescription drugs purchased at a retail pharmacy; they exclude medications that appear on medical claims and those purchased over the counter. The reporting time represents the most recent available 12 months of data as of the date of publication. Additionally, data from the previous 12 months were analyzed to ascertain year-over-year cost increases.

Each analysis is conducted at the level of the 11-digit National Drug Code, a unique, three-segment number that serves as a universal product identifier for drugs. The NDC identifies the chemical compound in the drug, the labeler (usually the manufacturer), and the type of packaging. It is more precise than drug name alone.

These reports include tables for each payer type—Commercial, MaineCare, Medicare Advantage, along with an Overall (all-payer) category—and for brand-name or generic drugs.

Sources

The data in these reports was extracted from pharmacy claims data in the MHDO APCD.

The reports use the American Hospital Formulary Service (AHFS) Drug Information to provide additional contextual information on the types of therapies each drug is prescribed for. This is shown in the reports as Drug Class. Supplemental information in this written report about how individual drugs are used comes from the FDA or the manufacturer websites.

Please do not hesitate to contact me directly with any questions at karynlee.harrington@maine.gov or at 207-287-6722

Karynlee