VERMONT
GREEN MOUNTAIN CARE BOARD

Green Mountain Care Board

Susan Barrett, Executive Director
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About Us

VERMONT
GREEN MOUNTAIN CARE BOARD

- Established in 2011 (Act 48)
- 5 Board Members
- 6-Year Staggered Terms
- The GMCB is an independent Board that is part of state government
- Quasi-judicial

THE BOARD & EXECUTIVE DIRECTOR


Owen Foster, JD
GMCB Chair


Jessica Holmes, PhD
GMCB Member


Robin Lunge, JD, MHCDS
GMCB Member


David Murman, MD
GMCB Member


Thom Walsh,
PhD, MS, MSPT
GMCB Member


Susan Barrett, JD
GMCB Executive Director

About Us

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Mission Drive system-wide improvements in **access**, **affordability**, and **quality** of health care to improve the health of Vermonters.

Regulate major areas of Vermont's health care system in service to the public interest

Serve as an unbiased **source of information and analysis** on health system performance

Monitor and evaluate health care payment and delivery system reform to provide public transparency

Guiding Values

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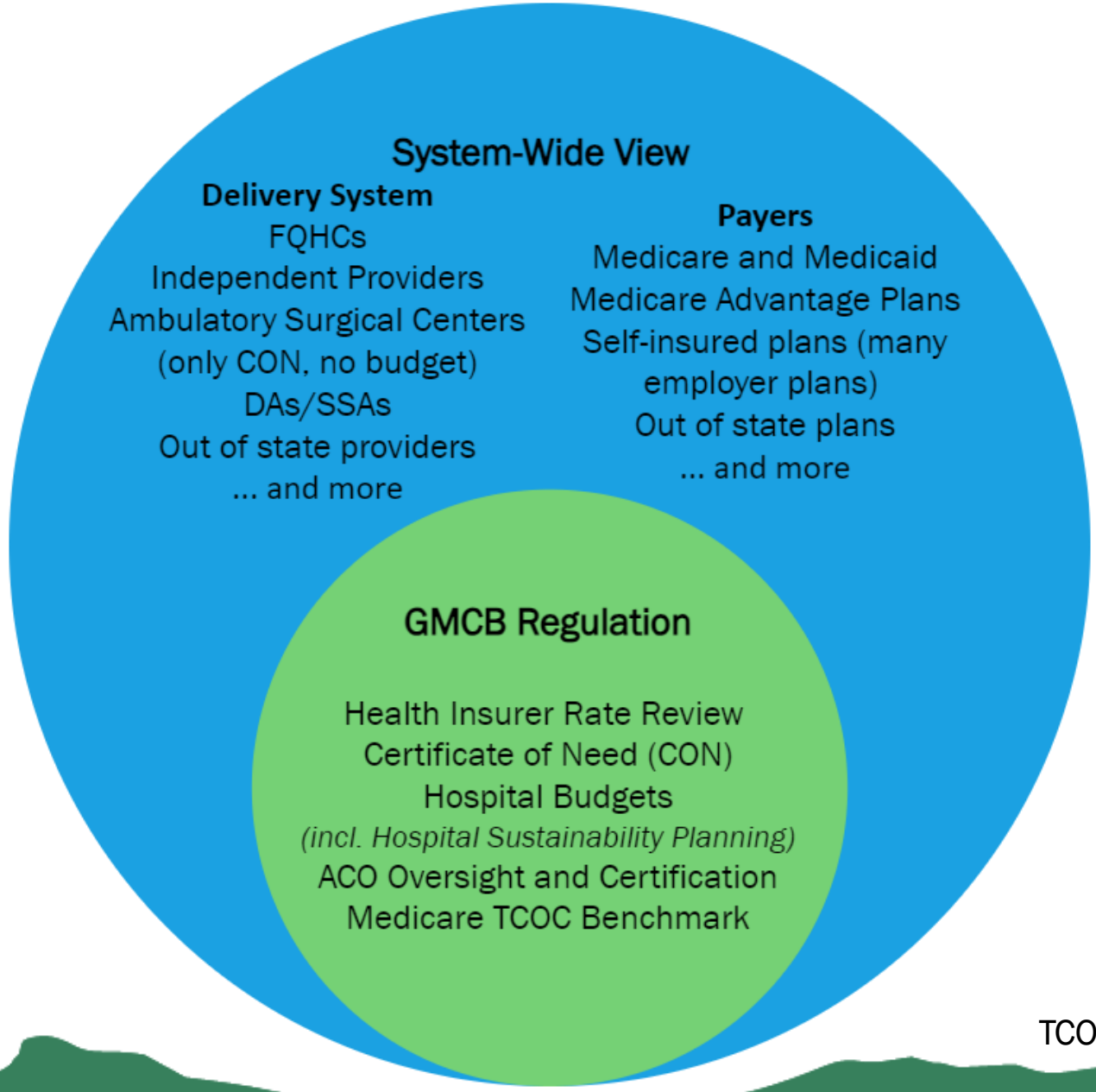
Non-Partisan	Six-year terms which span gubernatorial election cycles
Transparent	Decisions and supporting analysis conducted in public
System-wide View	Integrated regulatory approach to account for cross-system impacts
Public-Interest	Informed by agency partners, a broad spectrum of stakeholders, and public
Accountable	Understand the impact of its decisions on Vermonters
Data-Driven	Timely, consistent, and actionable analyses; data stewardship

Role of GMCB



TCOC: Total cost of care

S.98 Overview

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(a) The Green Mountain Care Board, in consultation with its own technical advisory groups and other State agencies, shall explore and create a framework and methodology for implementing a program to regulate the cost of prescription drugs for Vermont consumers and Vermont's health care system.

S.98 Overview

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(a) continued…The Board shall consider options for and likely impacts of regulating the cost of prescription drugs, including:

(1) the experiences of states that have developed prescription drug affordability boards;

(2) the Centers for Medicare and Medicaid Services' development and operation of the Medicare Drug Price Negotiation Program;

(3) other promising federal and state strategies for lowering prescription drug costs;

(4) the Board's existing authority to set rates, adopt rules, and establish technical advisory groups;

(5) the likely return on investment of the most promising program options; and

(6) the impact of implementing a program to regulate the costs of prescription drugs on other State agencies and on the private sector.

S.98 Timeline

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- **January 15, 2025** – Preliminary plan and proposals for any legislative action needed to implement program.
  - *Note: it will take time to hire and onboard staff for these new positions, meaning staff might not be up and running until Fall, 2024.*

- **January 15, 2026** – Final plan for implementing a program to regulate the cost of prescription drugs in Vermont, along with proposals for addressing any additional identified legislative needs.
  - *Note: additional staff and resources might be needed to implement prescription drug regulation, depending on the final plan. Other states have additional staff for their prescription drug programs.*

GMCB's Current Data View into Prescription Drug Costs

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- **Data Stewardship: VHCURES** (Vermont's All-Payer Claims Database) collects certain pharmacy claims data

- **GMCB receives reporting:**
  - Act 193 of 2018 for major medical health insurers with more than 1,000 covered lives in Vermont (MVP, BCBSVT, and Cigna), overall impact of prescription drugs on premiums

- **Regulatory processes:** GMCB sees impact of high prescription drug costs in insurance rate review and hospital budgets

Resources in S.98

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- The resources (2 permanent staff and funding to contract with experts) in S.98 will allow GMCB to:
  - Draw on existing state frameworks
  - Address unanswered questions about system-wide implications
  - Propose a path forward for Vermont

Other states have created Prescription Drug Affordability Boards (PDABs), which have taken significant resources and are in the early stages of implementation/work

- While Vermont is smaller than many of the states who have created PDABs, the work does not necessarily scale down because data analysis and prescription drug expertise is required to perform the work.

S.98 – Designing Prescription Drug Regulation for Vermont

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- States have taken different approaches to prescription drug regulation, and these programs are in the early stages
- The federal government is also taking action on setting rates for Medicare prices

S.98 will give GMCB staff and resources to design a "Vermontized" version of prescription drug regulation that takes different approaches into mind and builds on Vermont's existing regulatory structures.

State	Initiative	Enabling legislation	Model	Can it set upper payment limits?	Population impacted
Colorado	Colorado's Prescription Drug Affordability Board (CO SB 175 - 2021)	CO HB 23-1225 (2023)	Colorado's Prescription Drug Affordability Review Board has the authority to review the affordability of certain drugs and establish upper payment limits.	Yes (for up to 12 drugs during the first three years of implementation, unless the Board determines a need to do so for up to eighteen drugs)	All consumers in the state (excluding enrollees in self-funded plans that elect not to participate).
Maine	Maine's Prescription Drug Affordability Board (ME LD 1499/Chapter 471 - 2019)	ME LD 120 (2021)	Maine's Prescription Drug Affordability Review Board has the authority to determine spending targets for specific drugs and can recommend policies to meet the targets.	No	Public plan enrollees
Maryland	Maryland's Prescription Drug Affordability Board (MD HB 768 - 2019)	MD HB 1100 (2020), MD HB 200/SB 181 (2023), and MD HB 279/SB 202 (2023)	Maryland's Prescription Drug Affordability Board will study the pharmaceutical supply chain and review possible policy options, including but not limited to, setting upper payment limits.	Yes, pending additional legislative approval.	Enrollees in a public plan, - may expand to all payers
Minnesota	Minnesota's Prescription Drug Affordability Board (MN SF 2744 – Sections 62J.85 through 62J.95 of FY 2024 Commerce Appropriations)	N/A	Minnesota's Prescription Drug Affordability Board has the authority to review the affordability of certain drugs and establish upper payment limits. An upper payment limit will reference the federally negotiated Medicare maximum fair price for any drug with a Medicare maximum fair price.	Yes	All consumers in the state (excluding plans preempted by the Employee Retirement Income Security Act (ERISA) which elect not to participate)
New Hampshire	New Hampshire's Prescription Drug Affordability Board (NH HB 1280 - 2020)	N/A	New Hampshire's Prescription Drug Affordability Review Board has the authority to determine spending targets for specific drugs and will recommend policies to meet those targets.	No	Public plan enrollees
Oregon	Oregon's Prescription Drug Affordability Board (OR SB 844 - 2021)	OR SB 192 - 2023	Oregon's Prescription Drug Affordability Board has the authority to review prices for nine drugs and at least one insulin product that are expected to create affordability challenges. The board will also conduct an annual study of the generic drug market.	No	N/A
Washington	Washington's Prescription Drug Affordability Board (WA SB 5532 / Chapter 153 - 2022)	N/A	Washington's Prescription Drug Affordability Board has the authority to review the affordability of certain drugs and establish upper payment limits.	Yes (for up to 12 drugs)	All consumers in the state (excluding enrollees in self-funded plans that elect not to participate).
Massachusetts	*Medicaid Model Massachusetts Enhanced Negotiating Authority (HB 4000 - Section 46 of FY 2020 Budget)	N/A	The Massachusetts Executive Office of Health and Human Services may directly negotiate supplemental rebate agreements with drug manufacturers. If an agreement cannot be reached, the manufacturer may be referred to the Health Policy Commission (HPC) for review. The HPC can identify a proposed value of the drug and propose a supplemental rebate.	No	Medicaid enrollees
New York	*Medicaid Model New York's Medicaid Drug Benefit Budget Cap (S 2007/PHL § 280 - 2017)	Updated in SSL § 367-a	New York's Medicaid program has the authority to negotiate with drug manufacturers for supplemental rebates if spending on a drug is expected to exceed the Medicaid drug cap (PHL §280) or if a newly launched drug meets certain thresholds to be considered "high cost" (SSL §367-a).	No	Medicaid enrollees

Source: NASHP Comparison

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- PDABs are relatively new and are all unique
- Four states have the authority to set Upper Payment Limits (UPLs):
  - Colorado
  - Maryland
  - Minnesota
  - Washington

PDAB: Prescription Drug Affordability Board

Resources for States where the PDAB has Upper Payment Limit Authority

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State	Budget	FTEs
Colorado	For the 2021 - 2022 state fiscal year, $730,711 was appropriated for implementation.	2 FTEs, 2 part-time Assistant Attorneys General Additional contractors as needed ($250,000 allocated)
Minnesota	The Board was appropriated $568,000 for FY 2024 and $537,000 for FY 2025 to create and maintain the Prescription Drug Affordability Board. The base appropriation for FY2026 is $500,000.	1 FTE (Executive Director) with potential other FTE staff. The Board will be supported by the Commissioner of Health and the Attorney General.
Maryland	FY2020: $831,900 2022: Board operated with a $1 million annual budget based on projected collected annual fees. 2023: the state budget for fiscal year 2024 appropriated $1,426,736 in special funds to the Board.	5 FTEs One part-time assistance Assistant Attorney General Additional contractors as needed ($250,000 allocated)
Washington	Through supplemental appropriations to Washington's 2021-2023 budget, the Board was appropriated $1,460,000 from the general fund for fiscal year 2023 and $31,000 from the insurance commissioner's regulatory account.	4 FTEs

Source: NASHP Comparison

PDAB: Prescription Drug Affordability Board

PDAB Process Example - Colorado

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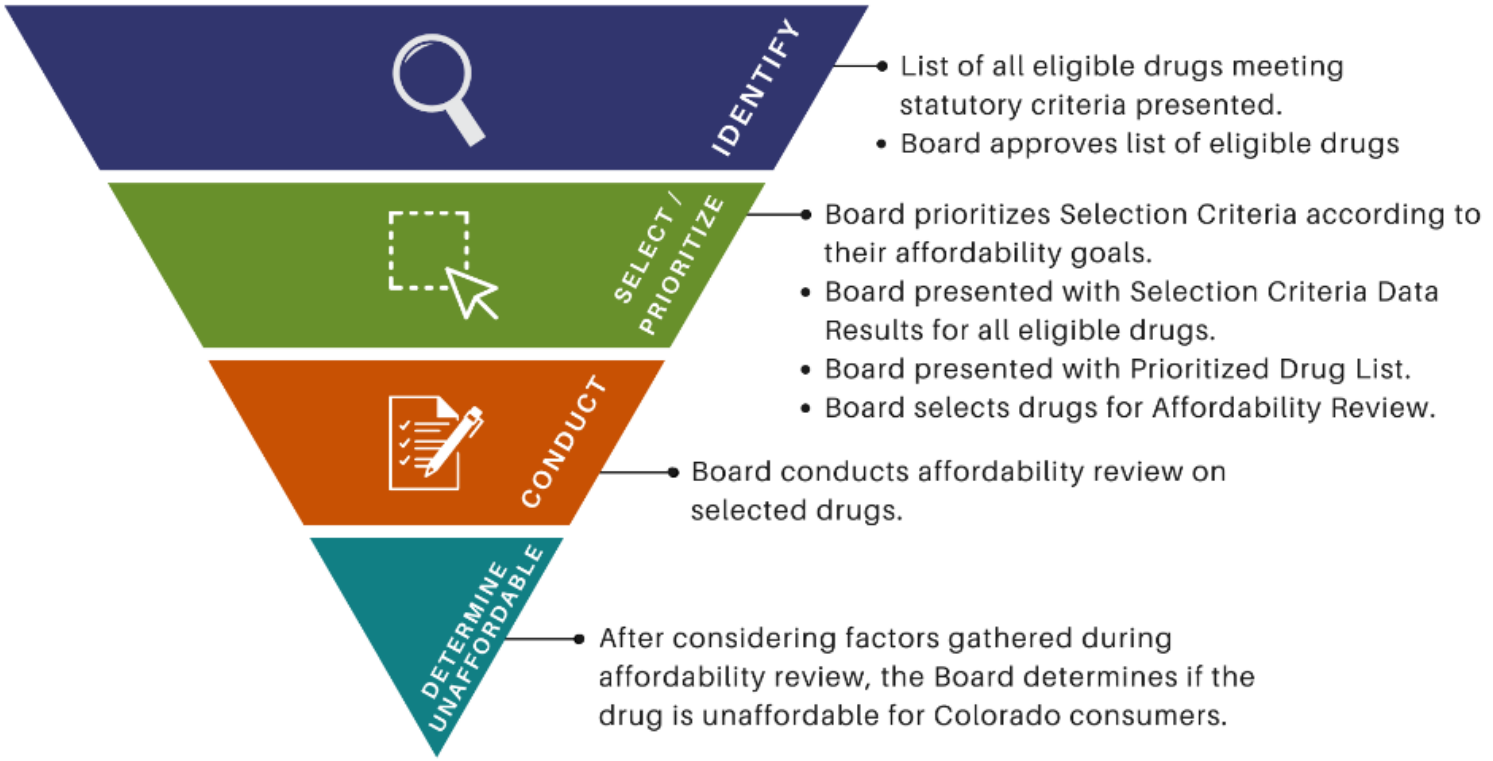
Affordability Review Process



Colorado is the first state to start affordability reviews

- 5 drugs selected for review
- 3 reviews completed to date – Board voted that Trikafta and Genvoya are <u>not</u> unaffordable for Colorado consumers and voted that Enbrel is unaffordable

Source: Colorado PDAB

PDAB: Prescription Drug Affordability Board

S.98 – Designing Prescription Drug Regulation for Vermont

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- Other states all have ramp up periods on their programs
- S.98 is an opportunity to VERMONTIZE prescription drug regulation:
  - Build on Vermont's existing regulatory structures (rate setting authority)
  - How prescription drug regulation fits into GMCB regulatory cycle
  - Lessons learned from other states
  - Address unanswered questions:
    - Access concerns
    - Litigation concerns
    - Impact on pharmacies and other parts of the supply chain