## S. XXX, the Prescription Drug Pricing Dashboard Act

Introduced by Senator Casey and Senator Collins

## **Background**

The Drug Spending <u>Dashboards</u> at the Centers for Medicare and Medicaid Services (CMS) are interactive, web-based tools that provide spending information for drugs in the Medicare Part B<sup>1</sup> and D programs as well as Medicaid. The first interactive Drug Spending Dashboard was created in 2015 by the Obama Administration for Medicare Parts B and D, in order to provide greater transparency about drug prices and costs and to "increase the knowledge around drug spending and support efforts that are evaluating whether public dollars are being spent most effectively."<sup>2</sup>

The Dashboards focus on average spending per dosage unit and change in average spending per dosage unit over time. However, only 80 medications were originally included, selected based on high patient cost, high system cost, or recent exponential increases in price.

Information on Medicaid drug spending was added in 2016, with 70 of the highest-cost and highest volume medications included. This showed major spikes in the price of many medications. The Dashboards also include additional manufacturer-level drug spending information, as well as consumer-friendly descriptions of the drug uses and clinical indications.

In May 2018 the Trump Administration updated the information in the dashboards and add upgrades to the dashboards to display year-over-year changes in how much the agency spends on individual drugs for Medicare and Medicaid and expand both databases to include a majority (thousands) of drugs used. Despite these updates, the most recent Part D rebate information on display is from 2014.

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The **Prescription Drug Pricing Dashboard Act** codifies and builds on the existing Dashboards at CMS. Because drug prices are increasing faster than overall health care system cost and represent an increasing share of the U.S. health care economy (crossing the \$1 trillion threshold in 2015<sup>3</sup>), and because 26 percent of Americans find it difficult to afford their prescription medications<sup>4</sup>, it is essential to promote transparency and ensure that consumers have the ability to see and understand medication costs.

The Prescription Drug Pricing Dashboard Act will:

• Codify the existing Dashboards and require HHS to update them (annually, and more frequently as appropriate). This will ensure that the Dashboards will be maintained as an interactive internet website-based tool through which patients, consumers, clinicians, and

<sup>&</sup>lt;sup>1</sup> Information on Part B drugs excludes Medicare Advantage.

<sup>&</sup>lt;sup>2</sup> https://www.urac.org/press-room/new-cms-drug-cost-dashboard-highlights-implications-specialty-pharmacies

<sup>&</sup>lt;sup>3</sup> https://www.healthsystemtracker.org/chart-collection/recent-forecasted-trends-prescription-drug-spending/? sf s=recent+trends#item-nominal-and-inflation-adjusted-increase-in-rx-spending 2017

<sup>&</sup>lt;sup>4</sup> https://www.healthsystemtracker.org/chart-collection/recent-forecasted-trends-prescription-drug-spending/#item-people-taking-rx-drugs-say-can-afford-treatment-1-4-difficult-time-affording-medicine\_2017

- researchers can easily review a wide variety of information on the price and utilization of prescription drugs purchased by Medicare, Medicaid and the Federal Employee Health Benefits Program.
- **Define the data to be collected and displayed**, including brand and generic name, drug uses and other relevant clinical information, and manufacturer.
- **Direct HHS to ensure that the database displays information** on recent and historical information and trends regarding spending per dosage unit, number of beneficiaries receiving the medication under each program, the average federal spending on the medication per beneficiary, and the total cost to the program for each medication.
- **Highlight the drugs in each program** with the highest total program spending, highest total federal spending, highest individual beneficiary spending in each program, and highest unit cost increases in each program.
- Require the Dashboards to include consumer-friendly information about out-of-pocket costs for individuals enrolled in each of the programs, showing trends over time and with regard to coverage gaps or other relevant sections of each program.
- Require HHS to develop a plan and report to Congress, within two years of passage, on how to expand and improve the Dashboard, with particular focus on inclusion of data from other Federal agencies such as TRICARE, the Department of Veterans Affairs, and qualified health plans purchased through an American Health Benefits Exchange or other private insurance coverage.
- Ensure that the full underlying data is readily available in a downloadable format.