



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc  
2101 East Jefferson Street  
Rockville, Maryland 20852

May 10, 2024

Andrew York  
Executive Director  
Prescription Drug Affordability Board  
4160 Patterson Avenue  
Baltimore, Maryland 21215

**RE: Drugs and Therapeutic Alternatives Under Consideration for Cost Review**

Dear Dr. York:

Kaiser Permanente appreciates the opportunity to provide comments on the drugs and therapeutics referred to the Stakeholder Council on April 10, 2024. Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.<sup>1</sup> Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 800,000 members. In Maryland, we deliver care to over 460,000 members.

We support the state's efforts to identify drugs that are causing affordability challenges for Maryland consumers. Pharmaceutical manufacturers' virtually unfettered pricing power has empowered them to set exorbitant prices, leading to a dysfunctional and grossly imbalanced market for prescription drugs.

KP continues to advocate that upper payment limits, which target purchasers of prescription drugs (i.e., not manufacturers), are not the right policy solution to lower prescription drug prices. Manufacturers set the price of their drugs, and focusing on pharmacies and other purchasers that may not have any option but to purchase drugs above the upper payment limit will only shift the cost burden onto those purchasers. That said, Kaiser Permanente recognizes the value of a robust cost review to determine whether another policy solution is needed.

**A cost review should consider many factors to determine whether a drug creates an affordability challenge.** Despite their high cost, many of the drugs under consideration – including Biktarvy, Dupixent, Jardiance, and Ozempic – are the preferred option in their treatment pathways or are being used due to a national shortage of alternatives, e.g., Vyvanse. Furthermore, in Kaiser Permanente's experience, some alternatives, including drugs listed as therapeutic equivalents, are not necessarily cheaper than the drugs referred to the Stakeholder

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<sup>1</sup> Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation's largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente's members.

Council. In those scenarios, the cost or availability of other drugs on the market is highly relevant to whether a drug creates an affordability challenge for Marylanders.

**Some proposed alternatives are not true therapeutic equivalents.** The therapeutic alternative lists include a mix of drugs from different classes, and consequently, different places in the treatment pathway. We provide the following examples and recommendations:

- Some of the Biktarvy alternatives are reserved for specific use cases and are not considered therapeutic equivalents, especially the medications that are single drug entities and not combination products. The listed alternatives for each row should also represent complete regimens that are comparable to the referenced drug. We suggest promoting generic options wherever it is clinically reasonable.
- For the diabetes drugs (Ozempic, Trulicity, Jardiance, and Farxiga), consider listing alternatives at the drug class level since alternatives in different drug classes will have differing efficacy. We would also suggest promoting generics and biosimilars wherever it is clinically reasonable.
- For Vyvanse, consider the impact of existing drug shortages on the availability of alternatives at the drug class level. We suggest promoting generics wherever it is clinically reasonable.
- For Dupixent and Skyrizi, list alternatives at the indication level since alternatives for different disease states will vary for each drug. Also consider adding topical products for the treatment of moderate-severe conditions. We would also suggest promoting biosimilars wherever it is clinically reasonable.

**The Board should also consider a cost review of applicable provider-administered drugs.** While all of the drugs under consideration meet the inclusion criteria for a cost review, we note that they are all included as part of a health plan's pharmacy benefit. Provider-administered drugs often contribute significantly to a health plan's drug spend and could be a good fit for a cost review.

Thank you for the opportunity to comment. Please feel free to contact me at [Allison.W.Taylor@kp.org](mailto:Allison.W.Taylor@kp.org) or (202) 924-7496 with questions.

Sincerely,



Allison Taylor  
Director of Government Relations  
Kaiser Permanente