An Evaluation of Comments to the CMS Proposed Drug Price Transparency in Direct-to-Consumer Television Advertising Rule

Fallon Gokhan, Pharm.D., Kenneth Hu, Pharm.D., Reena Ketkar, Pharm.D. Candidate, Achint Raince, Pharm.D. Candidate, Rax Wang, Pharm.D. Candidate, Lucio R. Volino, Pharm.D.

Rutgers Institute for Pharmaceutical Industry Fellowships, Ernest Mario School of Pharmacy, Rutgers University, Piscataway, NJ.

Background

- Wholesale acquisition cost (WAC) is defined as a list price for a drug to wholesalers or direct purchasers and does not include discounts or rebates. Typically, it does not reflect the actual out-of-pocket cost patients pay at point of purchase due to negotiations between manufacturers and payers.
- Prescription drug spending was estimated to be $457 billion dollars in 2015.

Objective

- To evaluate opinions, concerns, and suggestions to the proposed rule issued by CMS to require DTC television advertisements of prescription drugs and biological products to include the medications’ WAC.

Methods

- On January 2019 comments were analyzed using descriptive statistics for DTC ad-related opinions.
  - Proposal opinion
    - Fully Supportive
    - Supportive with Contingency - commenters who generally supported the proposal but not every aspect of rule execution
    - Against
    - Demonstration of WAC understanding
      - Based on knowledge that WAC is subject to change and not indicative of final out-of-pocket cost.
- Commenters were categorized based on their backgrounds, for example:
  - Healthcare organizations
  - Payers: Government or legal representatives, and chain pharmacies

Results

Figure 2. Commenter Demographics (N=140)

Figure 3. Distribution of Support (N=140)

- 56% demonstrated understanding of WAC
- 15% believed that the proposal would promote shared decision making and patient empowerment
- 27% expressed concern that patients may confuse WAC with their actual out-of-pocket cost.

Table 1. Select Findings from Commenters

<table>
<thead>
<tr>
<th>Healthcare System Stakeholders</th>
<th>Patients (N=140)</th>
<th>59% demonstrated understanding of WAC</th>
<th>60% supported rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry (N=10)</td>
<td>81% demonstrated understanding of WAC</td>
<td>86% expressed concern that patients may confuse WAC with their actual out-of-pocket cost</td>
<td></td>
</tr>
<tr>
<td>60% believed having list price without context may lead to under-treatment or inappropriate treatment</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 4. Support for Proposal vs Understanding of WAC

Discussion

- The most common suggestion beyond the proposed rule was to develop and refer patients to tools allowing them to access real-time cost information.
- The most common concern expressed was potential confusion by patients regarding their actual out-of-pocket cost and WAC represents. The majority of commenters were more likely to demonstrate WAC understanding.
- 65% of supporters with contingencies and 24% of full supporters demonstrated WAC understanding.
- Industry had concerns that patients would be confused about WAC and that this may lead to under-treatment or inappropriate prescribing.
- Discussions were focused on the fully supportive groups (mainly comprised of consumers, healthcare organizations, and healthcare professionals, as well as some patients).
- Payers demonstrated WAC understanding and supported patient empowerment but responders were primarily supportive of the proposal.

Conclusions

- The majority of those who supported the use of WAC did not demonstrate WAC understanding.
- Both industry and payer representative demonstrated understanding of WAC but had differing opinions of the proposal, against and supportive respectively.
- Healthcare professionals, industry, and payers expressed care for patient empowerment and concern with how this proposed rule will affect patients.

References


Author Contact Information

Achint Raince, Pharm.D. Candidate, and Ernest Mario School of Pharmacy Rutgers, The State University of New Jersey, achint.singh.raince@gmail.com.

DISCLOSURE

All authors are employees of Rutgers University.