National
Multiple Sclerosis
Society

November 6th, 2017

Legislation: LRB-3681, Representative Kolste
Position: SUPPORT

Dear Representative Sanfelippo, Chair of the Assembly Health Committee:

I am writing to submit comments on behalf of the National Multiple Sclerosis Society's Wisconsin Government Relations Advisory Committee regarding LRB-3681, a bill draft introduced by Representative Kolste, which aims to bring transparency to prescription drug pricing in certain scenarios. This legislation would be an important step towards comprehensive solutions that will improve access to medications that people –including those living with multiple sclerosis (MS) —need to live their best lives. Thus, we support this legislation, and urge that it be introduced and given a public hearing in committee.

Multiple sclerosis is an unpredictable, often disabling disease of the central nervous system which interrupts the flow of information within the brain, and between the brain and body. Symptoms range from numbness and tingling to blindness and paralysis. While everyone with MS is impacted differently by the disease, a growing body of evidence indicates that early and ongoing treatment with a disease modifying therapy (DMT) is the best way to modify the course of the disease, prevent the accumulation of disability, and protect the brain. However, some people living with MS have trouble accessing DMTs. People with MS report high and rapidly escalating medication prices, increasing out-of-pocket costs, confusing and inconsistent formularies and complex approval processes that stand in the way of getting the treatments they need. Prices of MS DMTs continue to escalate year after year despite no change in the medication itself. In 2004, the average wholesale price of available MS DMTs was $16,000; in 2013, the average price was $61,000; and at the beginning of 2017, the average price was $83,688 (see Enclosure). Access barriers related to DMT pricing and other challenges can cause delays in starting a medication or changing medications when a treatment is no longer working. Delays may trigger new MS activity and cause even more stress and anxiety about the future for people already living with the complex challenges of an unpredictable disease like MS.

The provisions of LRB-3681 we support include:

- The focus on manufacturers that increase the wholesale acquisition cost of a drug by a significant amount, or are introducing a new high-cost drug.
- The manufacturer must provide the notice at least 30 days before the planned date of the increase or introduction.
- Manufacturers of brand name and generic drugs who meet the price increase thresholds set in LRB-3881 must submit justification to the Department of Health Services (DHS) and the Office of the Commissioner of Insurance and must also provide transparency related to all manufacturer-sponsored assistance programs, including the total market value of assistance provided to residents of Wisconsin under their programs.
- The manufacturer must provide justification for the planned cost increase or drug introduction at that price, including estimated cost-effectiveness of the drug, price and effectiveness of similar drugs and

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anticipated sales performance of the drug as compared to similar drugs, and the impact of negotiated or mandated discounts on the pricing determination for the drug.

- The requirement that DHS publish the pricing justification information reported by manufacturers on its Internet site, and that DHS must also analyze the information and publish a report on its Internet site describing trends in drug pricing.

We respectfully urge the following changes:

- We would support more robust enforcement mechanisms, such as a state review of drug companies' high drug prices justification reports, possibly with a state mechanism to determine if that price is justified.
- We would recommend changes to the "trigger mechanism." These changes would ensure that MS medications were captured by the legislation, because the MS DMTs tend to follow a pattern of smaller, yet frequent, price increases. The changes we recommend are the same as the changes the National MS Society recommended for the FAIR Drug Pricing Act, recently introduced in the U.S. Congress (H.R2439; S.1131). While states are currently considering bills with a wide range of triggers, we believe it would be beneficial for states to enact similar standards, to streamline and standardize the process of reporting across states. Our recommendation is that LRB-3681's disclosure requirements, like those in the FAIR Drug Pricing Act, would be triggered if:
    - The wholesale acquisition cost of the drug has increased by 25% (not 50%) or more over the previous 3 years (not 5 years); or
    - The wholesale acquisition cost of the drug has increased by 10% (not 15%) or more over the previous 12 months.

In closing, we commend Representative Kolste for working on the issue of prescription drug pricing. This bill draft should be introduced, and assigned to a committee where its merits can be properly debated in front of the public. In the future, we look forward to partnering with you to champion this issue. We are here to serve as a resource, so I hope you will feel free to reach out if you have any questions about our position or MS drug pricing.

Respectfully,

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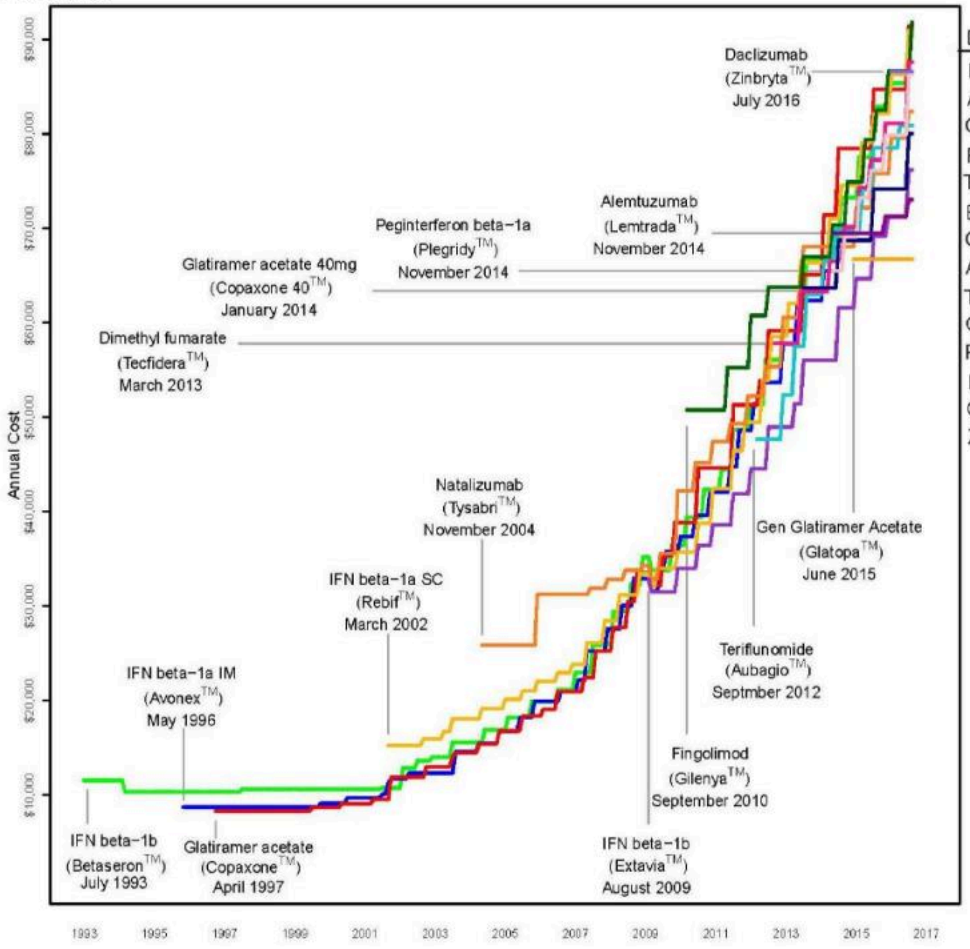
Cc:
Representative Kolste
Representative Bernier, Vice-Chair of Assembly Health Committee
Representative Petersen, Chair of Assembly Insurance Committee
Representative Duchow, Vice-Chair of Assembly Insurance Committee, Chair of Assembly Committee on Consumer Protection
Representative Tittl, Vice-Chair of Assembly Committee on Consumer Protection
Assembly Speaker Robin Vos
Assembly Majority Leader Jim Steineke

Enclosure:



Drug	Approval Cost	Current Cost
Betaseron™	$11,532	$91,261
Avonex™	$8,723	$86,308
Copaxone™	$8,292	$91,401
Rebif™	$15,262	$91,005
Tysabri™	$25,850	$82,368
Extavia™	$32,826	$76,201
Gilenya™	$50,775	$91,836
Aubagio™	$47,651	$80,902
Tecfidera™	$57,816	$87,623
Copaxone 40™	$63,715	$80,062
Plegridy™	$65,510	$86,308
Lemtrada™	$69,520	$73,039
Glatopa™	$66,731	$66,731
Zinbryta™	$86,592	$86,592

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