



States and QALY-Based Assessments: What is happening Where *As of March 6, 2020*

California:

California's administration [will propose](#) to establish a single market for drug pricing within the state for all purchasers—Medi-Cal, California Public Employees' Retirement System, Covered California, private insurers, self-insured employers, and others— by invoking a “most-favored-nation” clause requiring manufacturers to offer prices at or below the price offered to “any other state, nation, or global purchaser” if they “wish to sell their products in California.” In doing so, California would reference foreign prices determined using quality-adjusted life years (QALYs) and similar metrics where care is restricted for people with disabilities and serious chronic conditions. In addition, a recent draft budget trailer [bill](#), modifies the California Medicaid definition of best price to include any domestic or foreign entity. By modifying this definition, the lowest foreign price would become the baseline for supplemental rebate negotiations in California.

Colorado:

The Colorado Department of Health Care Policy and Financing released a report entitled “[Reducing Prescription Drug Costs in Colorado](#).” The report proposes to reduce prescription drug costs, including by “monitoring new ways to price prescription drugs, including QALY pricing methodologies” from the Institute for Clinical and Economic Review (ICER).

Connecticut:

ICER is actively engaged in a [public relations campaign](#) supporting its work and “Patient Engagement Program,” without accountability for its continued use of QALY methods that discriminate against people with disabilities and serious chronic conditions to determine cost effectiveness. Advocates are concerned the state will advance policies to reference ICER's QALY-based reports in determining reimbursement and coverage.

Massachusetts:

MassHealth and the Massachusetts Health Policy Commission plan to issue regulations outlining how they will evaluate the “value” of medications as a part of the oversight and administration of prescription drug pricing **with respect to certain prescription drugs for which MassHealth is seeking supplemental rebates**. They do not include any provisions that would ban or limit use of discriminatory QALY-based value assessments and they explicitly allow reference to QALY-based prices from foreign countries where access is restricted for people with disabilities, serious chronic conditions and seniors.



New York:

[Advocates opposed](#) a provision in New York's 2019 budget codifying authority to use QALY-based value assessments by third parties such as ICER in determining the "value" of treatments in determining reimbursement and coverage policies.

Oklahoma:

[Meeting minutes](#) indicate that the Oklahoma Drug Utilization Review Board used ICER's QALY-based studies to invoke prior authorization in March, 2019 and July, 2019 (hereditary angioedema and spinal muscular atrophy).

Tennessee:

Instead of requiring TennCare to cover any drug that is in the federal Medicaid drug rebate program, their [proposed Medicaid waiver](#) would allow it to adopt a commercial-style closed formulary with at least one drug available per therapeutic class **for certain enrollees**. The state also wants to exclude new drugs approved through the FDA's accelerated pathway until market prices are consistent or sufficient data exist regarding the "cost-effectiveness" of the drug. Formulary decisions on "cost effectiveness" of drugs could be based on discriminatory QALY metrics, particularly from groups such as ICER.

Washington:

Washington State will most likely pass [a bill](#) establishing the prescription drug affordability board, which is tasked with considering whether the price of a treatment "exceeds the proposed value" by considering factors such as "the price of therapeutic alternatives." The legislation did not bar reference to discriminatory QALY-based value assessments. Further, the Board itself does not include a patient or disability representative.