



Michigan House of Representatives
Health Policy Committee Written Testimony of Holly Pendell,
Director of Advocacy and Activist Engagement, National MS Society
March 16, 2021

On behalf of the National Multiple Sclerosis Society (Society), I would like to offer interested party testimony regarding HB 4350. We applaud the intent of HB 4350 as it attempts to encourage the use of lower cost generic medications by disallowing the usage of copay assistance for any medication with a lower cost generic alternative available. An additional benefit would be driving down name brand drug pricing. The National MS Society has been a leader on addressing cost of medications, bringing all stake holders to the table – which this bill seems to do. However, we believe it is critical for this committee to understand this legislation’s impact on people living with multiple sclerosis (MS) and others who utilize medications considered “specialty generics”- where a generic product exists but is still very expensive and may pose access challenges for patients.

While there is no cure for MS, the availability of MS disease modifying treatments (DMTs) has transformed the treatment of MS over the last 25 years. Evidence indicates that early and ongoing treatment with a DMT is the best way to manage the course of the disease, prevent accumulation of disability and protect the brain from damage due to MS. There are more than 20 DMTs on the market with generics available for two of the brand DMTs. Unfortunately for people affected by MS, the price of MS treatments has dramatically risen since the first DMT was approved in 1993. The first medication, so anxiously waited for, was approximately \$11,500 when it came on the market—today the list price is \$106,401. In 2020, the median price for brand MS DMTs was \$91,835¹ (see Appendix 1). When the first MS DMT generics entered the market, they were priced at the standard 15% below the list price of the brand medication. This priced the first DMT generic at just under \$65,000, and the first generic oral DMT entered the market in 2020 priced at \$85,000.

Generic medications have a role in driving down high medication prices and making medications more affordable. As we see within the MS DMT class, just the existence of generics does not guarantee affordability for people who rely on these medications. Today, there are multiple generics for two brand DMTs. While the generic prices have dropped considerably with multiple generics per brand and other market considerations, people with MS are struggling with affordability of the generics. For dimethyl fumarate (brand name is Tecfidera), there are currently 9 generics available ranging in price from \$21,747 to \$3,650 (see Appendix 2). It is unclear how these generics are being covered on formularies. For example, even as a generic, the medication may still be on a specialty tier, or a nonpreferred tier.



This means that even though the generic may be the lowest priced option, a person with MS may still have a high copay or even coinsurance, where they are responsible for a percentage of the cost of the medication. This could place the medication out of reach for them.

There may be unintended consequences for Michiganders who rely on expensive generic medications as a result of HB 4350. HB 4350 would prohibit these individuals, who have been stable on their therapy and receiving copay assistance from a manufacturer, to lose their financial assistance. As a result, these Michiganders would have several options, assuming their plan allows them to have a choice. The first option is to remain on their current DMT and pay out-of-pocket until they have fulfilled their deductible and then begin contributing to cost sharing until they reach their out-of-pocket annual maximum. Their second option is to begin taking the generic medication for their current DMT, which they might also find unaffordable for them depending on formulary placement and resulting out-of-pocket costs (see Appendix 2). As a third option, people with MS might move off a DMT which has kept them stable and healthy to move to another DMT without a generic option so they can leverage financial assistance.

Additionally, the implications of this legislation are unclear regarding a situation like dimethyl fumarate in MS- multiple generic options exist, there is a wide range in price across the generics and only some of the generic companies offer financial assistance. If a Michigander takes one of the higher priced generics, will patient assistance still be available? The decision on which generic is available to individuals is likely determined by the insurer/PBM or the pharmacy that is used. In this example, the individual may be required to use a specific specialty pharmacy and not have an option to look for lower cost options.

In a recent survey of people with MS conducted by our organization, 40% of people with MS shared that they alter or stop taking their medications due to high cost. They may have stopped treatment for a period, they may skip or delay filling a prescription, maybe they skip or delay a treatment, or they do not take the medication as prescribed to try and make it last longer. The reality is, the high cost of MS treatments creates significant barriers to treatment, increase stress, and result in greater burdens for those who already live with a chronic, life-altering condition. The Society's survey also showed that more than half of those surveyed are concerned about being able to afford their DMT over the next few years. Many people with MS tell us that without copay assistance, they would not be able to afford their medications to slow the progression of their disease. People with a chronic illness like MS need to know that they will be able to get the life-changing medication they need, when they need it.

It is easy to see that drug prices, affordability and access are complex problems. We will need multiple solutions and shared commitment by all stakeholders to find answers. There is no silver



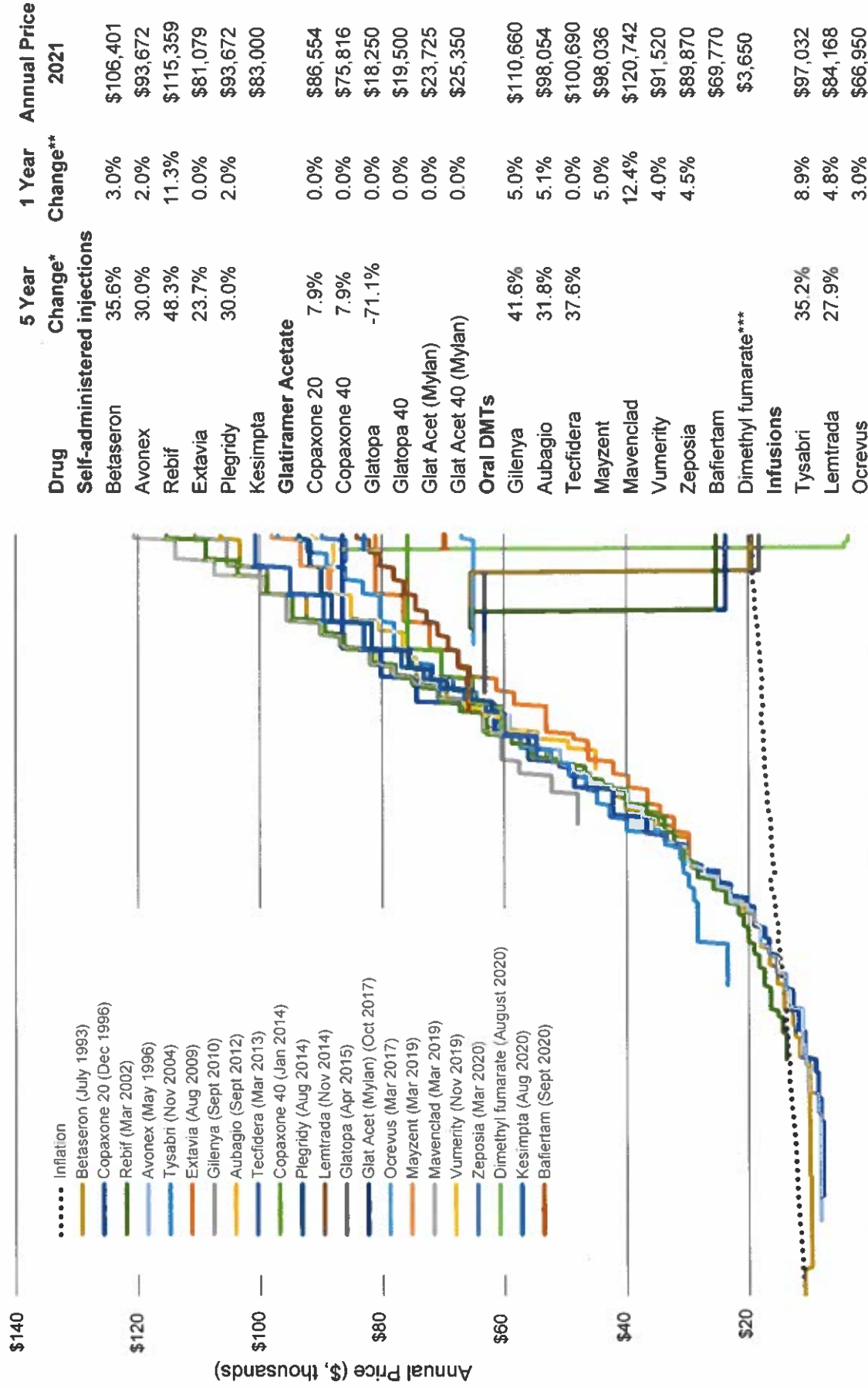
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bullet solution, and we must look at solutions across the entire prescription drug supply chain. The Society has advocated for the states, and for Congress, to advance policies that will lower drug costs and improve access. The current trajectory is unsustainable for government, taxpayers, and those living with chronic conditions such as MS.

Your vote on House Bill 4350 and all 14 other bills addressing drug pricing will have implications far beyond this room. Michiganders will be impacted by these decisions not only in their wallets, but on their health. We thank you for your attention to these important and complicated issues. The National MS Society is committed to working with you to find solutions for people with MS. Please direct questions or feedback to Holly Pendell at holly.pendell@nmss.org.

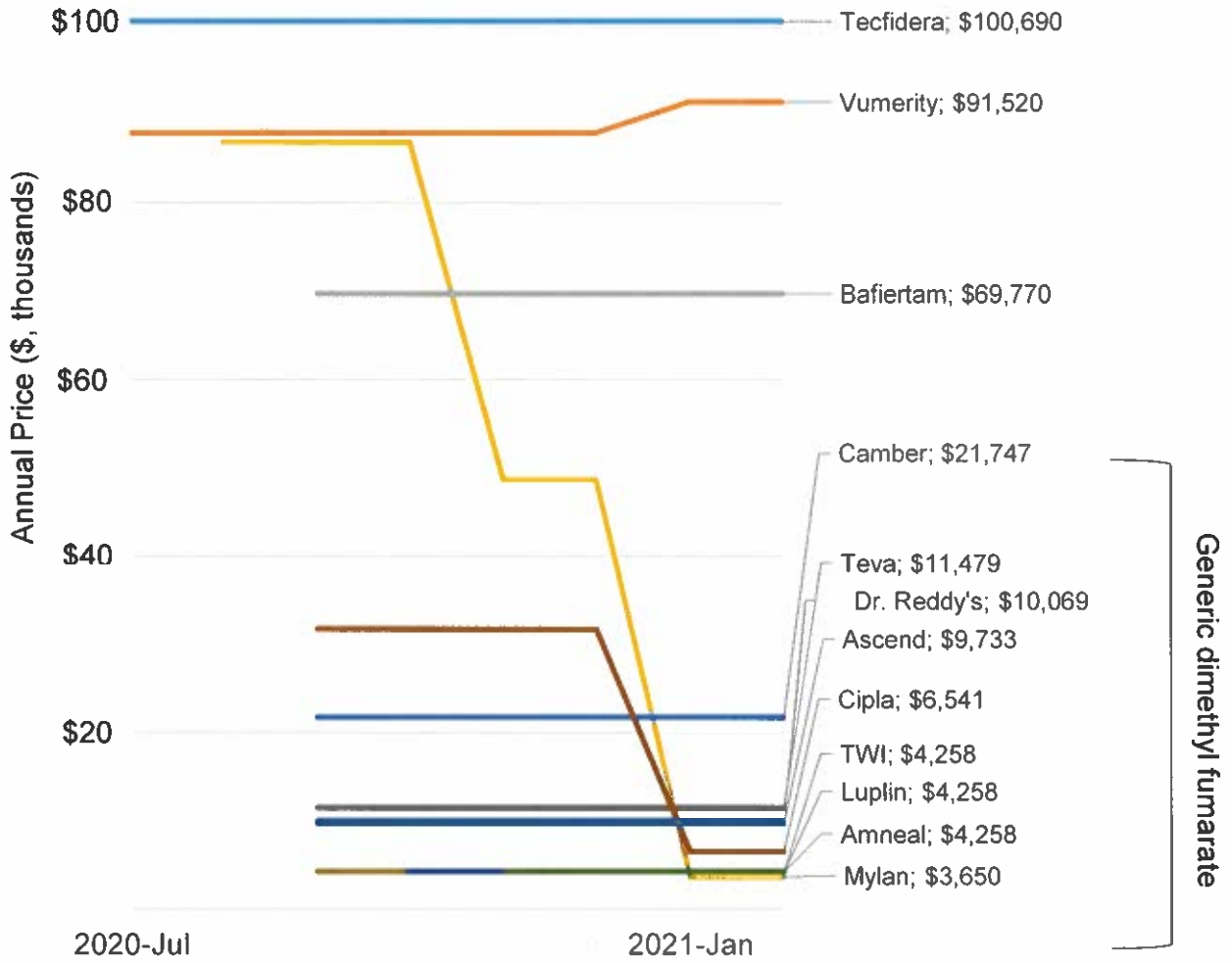
¹ Hartung DM. Economics and Cost-Effectiveness of Multiple Sclerosis Therapies in the USA. *Neurotherapeutics*. 2017 Oct;14(4):1018-1026. doi: 10.1007/s13311-017-0566-3. <https://www.ncbi.nlm.nih.gov/pubmed/28812229>

Trends in annual price for disease-modifying therapies for multiple sclerosis; 1997 to 2021



Notes: Annual price estimated from wholesale acquisition costs (First Databank)
 Market entrance date in parenthesis
 Dashed line is projected annual price of Betaseron assuming only inflationary increases in price (CPI)
 Lemtrada is based on four 12 mg vials (Package insert dosing: 12 mg/day (5 vials) for five consecutive days in first year, 12 mg/day (3 vials) for three days in year 2);
 *2016 to 2021 (February); **2020 to 2021 (February); ***lowest price dimethyl fumarate reported
 Updated 2/18/2021 (Data through February 2021)

Trends in annual price for fumarate-based DMTs; 2020 to 2021



Notes:
 Annual price estimated from wholesale acquisition costs (First Databank)
 Updated 2.18.2021 (Data through February 2021)