



Payer Interviews and Survey Reveal UPL Perceptions

Chart Pack

Avalere | Part of Avalere Health
March 28, 2025

Research Methodology

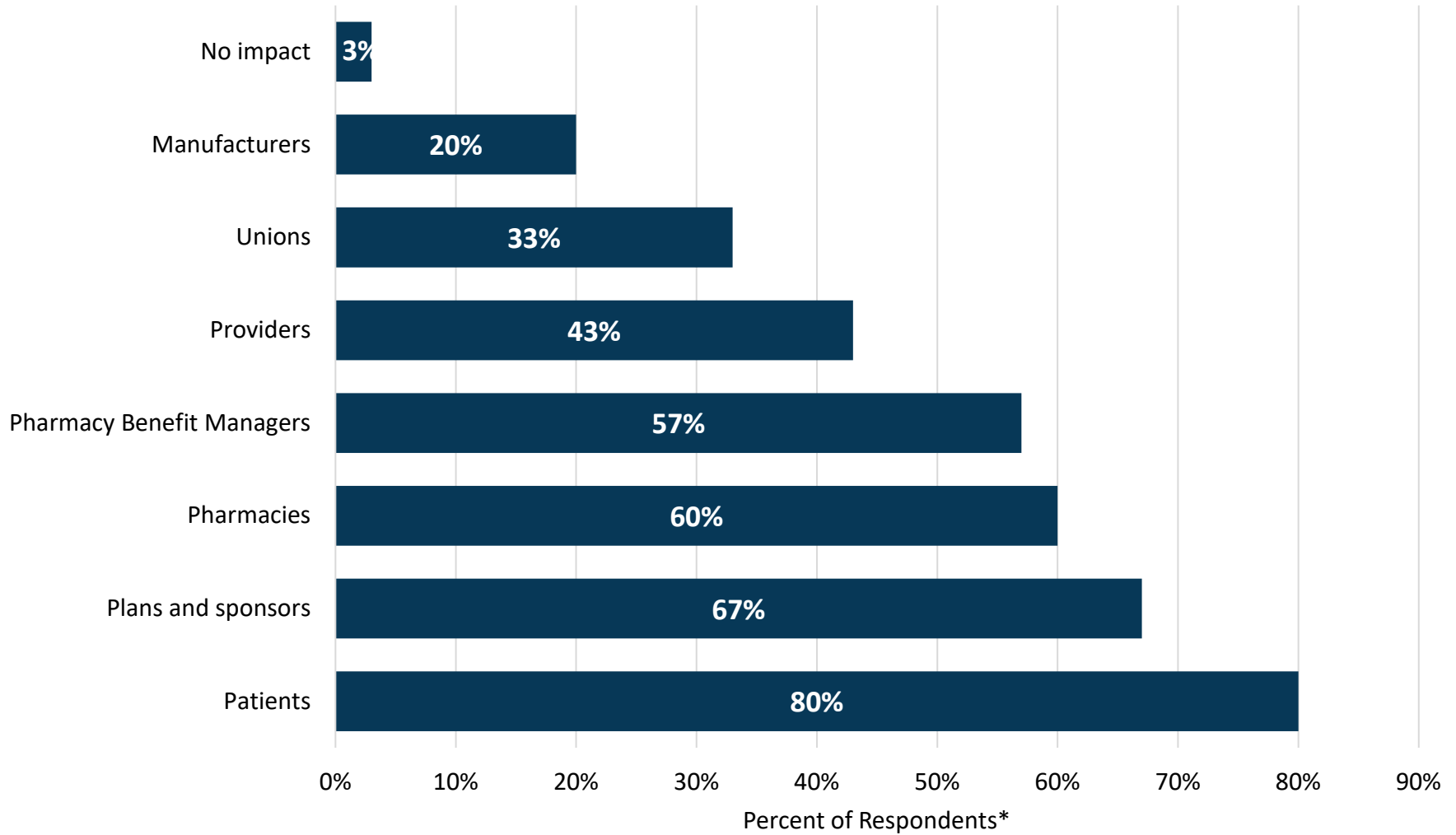
The following charts include results from Avalere’s double-blinded survey conducted between January and February 2025.

The respondents did not include individuals who were interviewed for Avalere’s work in 2023 or 2024. Survey participants included current and recent senior-level representatives of national and regional payers that had direct experience in prescription drug benefit design and had an ability to speak to an organization’s perception of PDABs and preparedness for UPL implementation. The survey included 30 respondents, representing 476.3 million enrollees.*

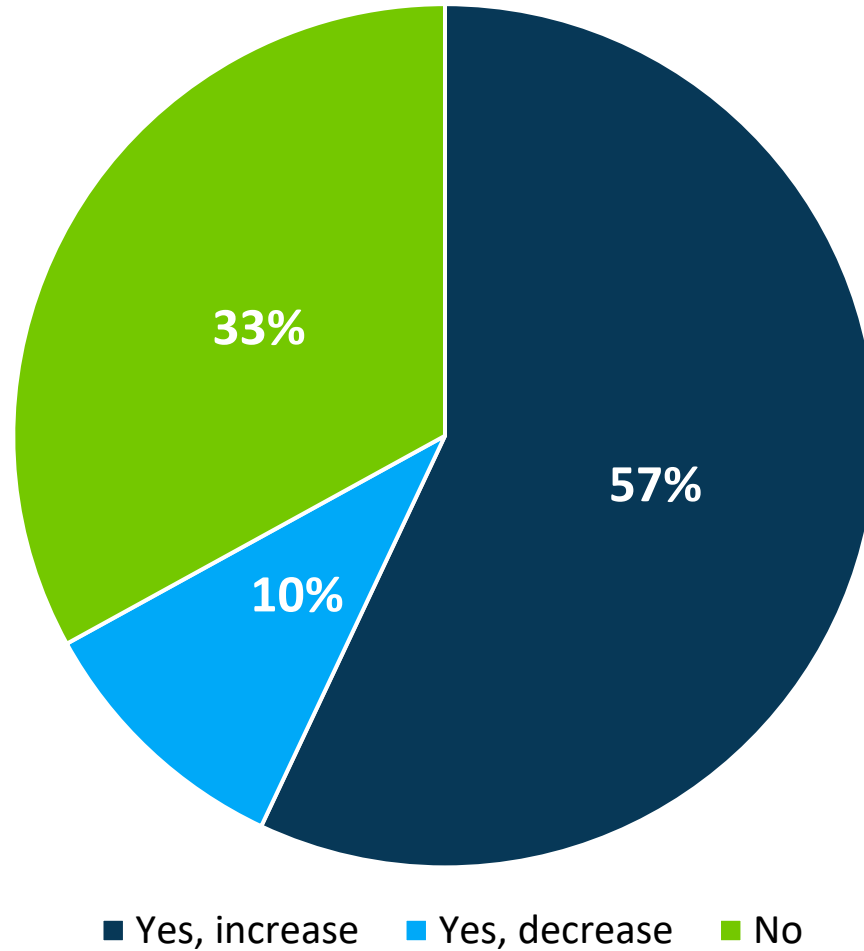
The titles of the charts refer to the question asked of respondents in the survey. Any use of the word “organization” refers to the health plan where the surveyed individual is currently or was previously employed.

*Surveyed payers did not identify their organization, thus there may be overlap of covered lives.
PDAB: Prescription Drug Affordability Board; UPL: Upper Payment Limit

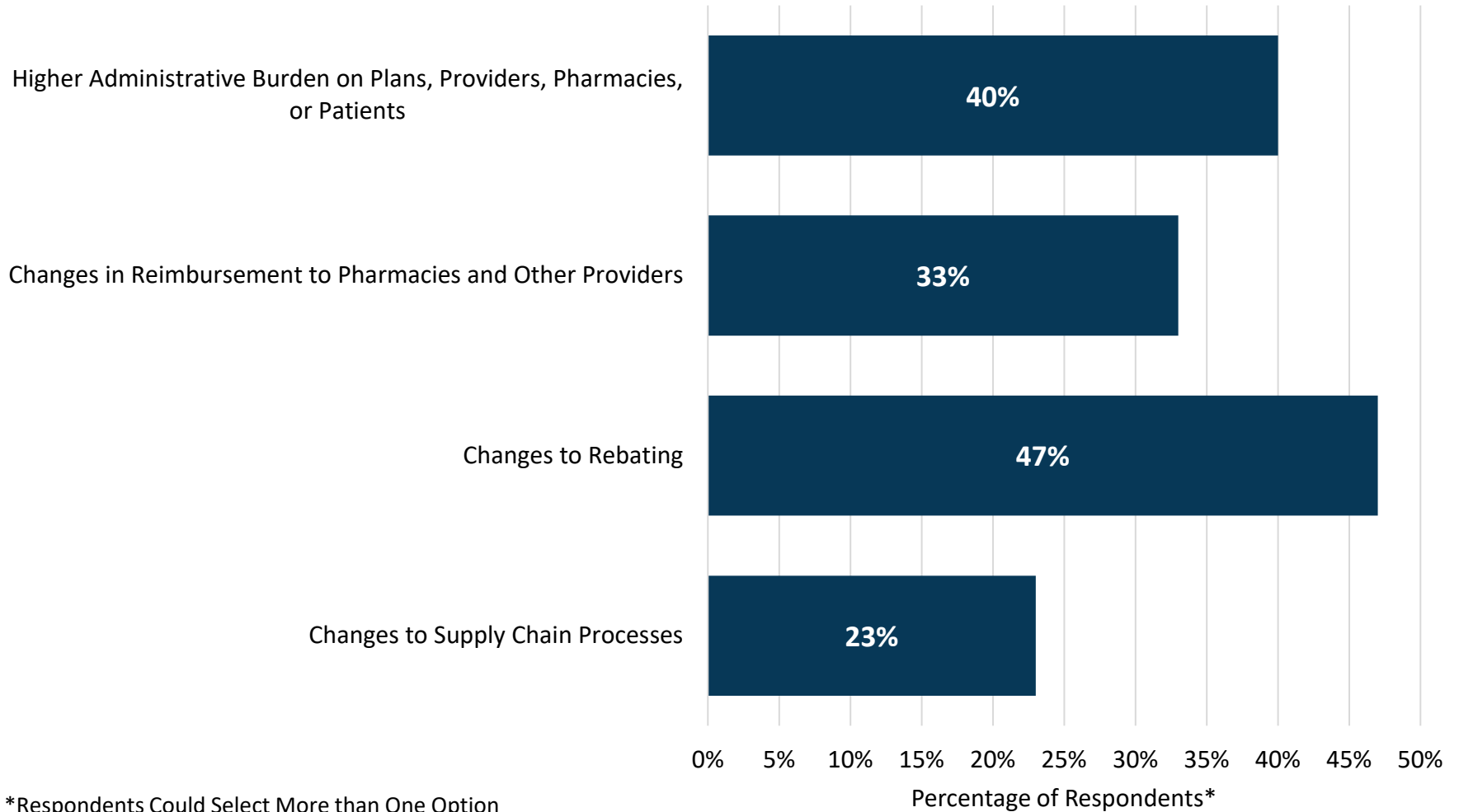
Which stakeholders may be impacted by UPL effectuation?



If a UPL is implemented in the organization's state, do you anticipate changing premiums for enrollees?



Elaborate on the types of disruption you would anticipate if a UPL is implemented



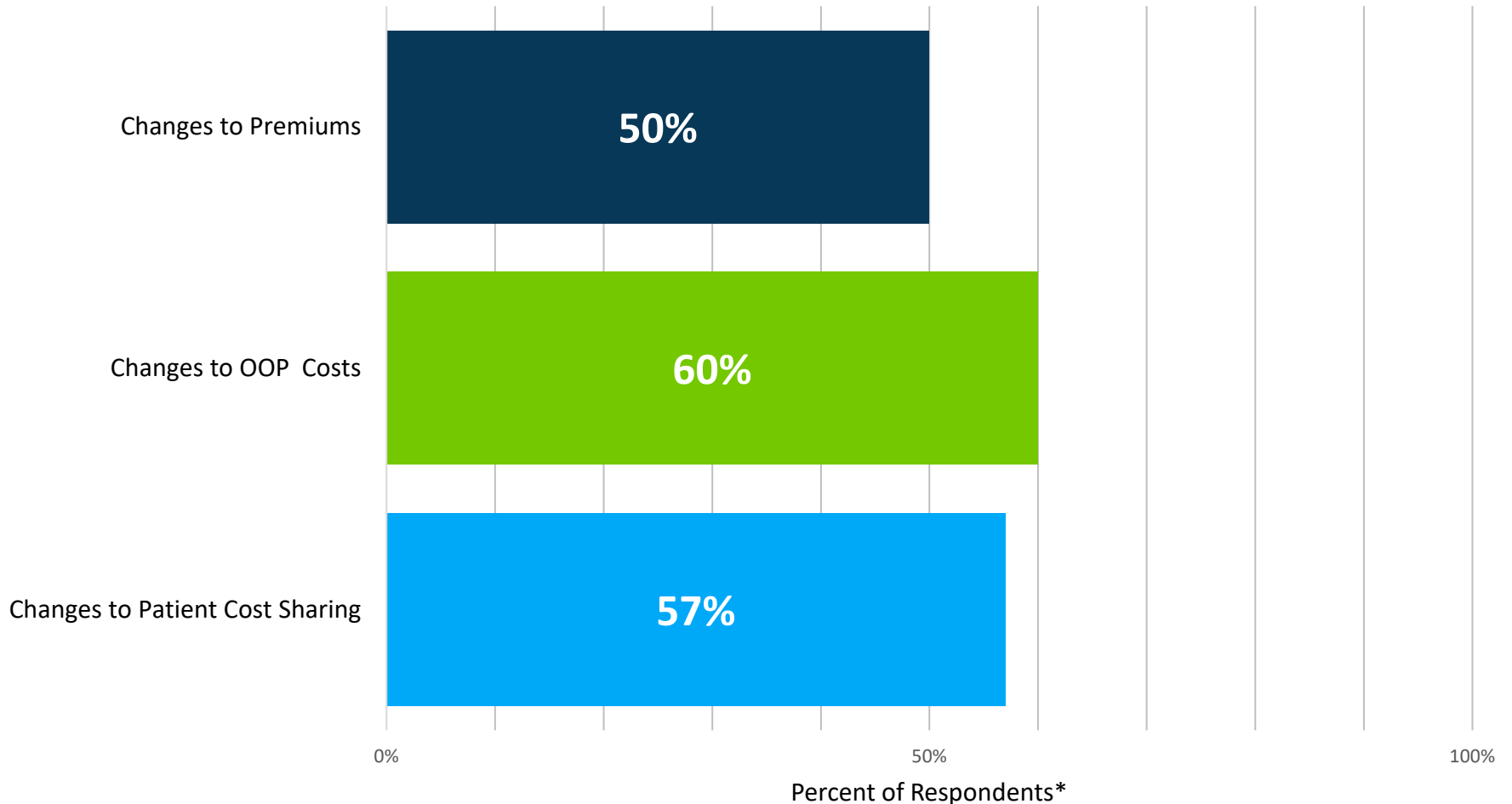
If a UPL is implemented in your state, how much do you anticipate it causing changes to formulary design?

Percent of Respondents

1 - No change	3%
2	13%
3	63%
4	17%
5 - Major disruption	3%

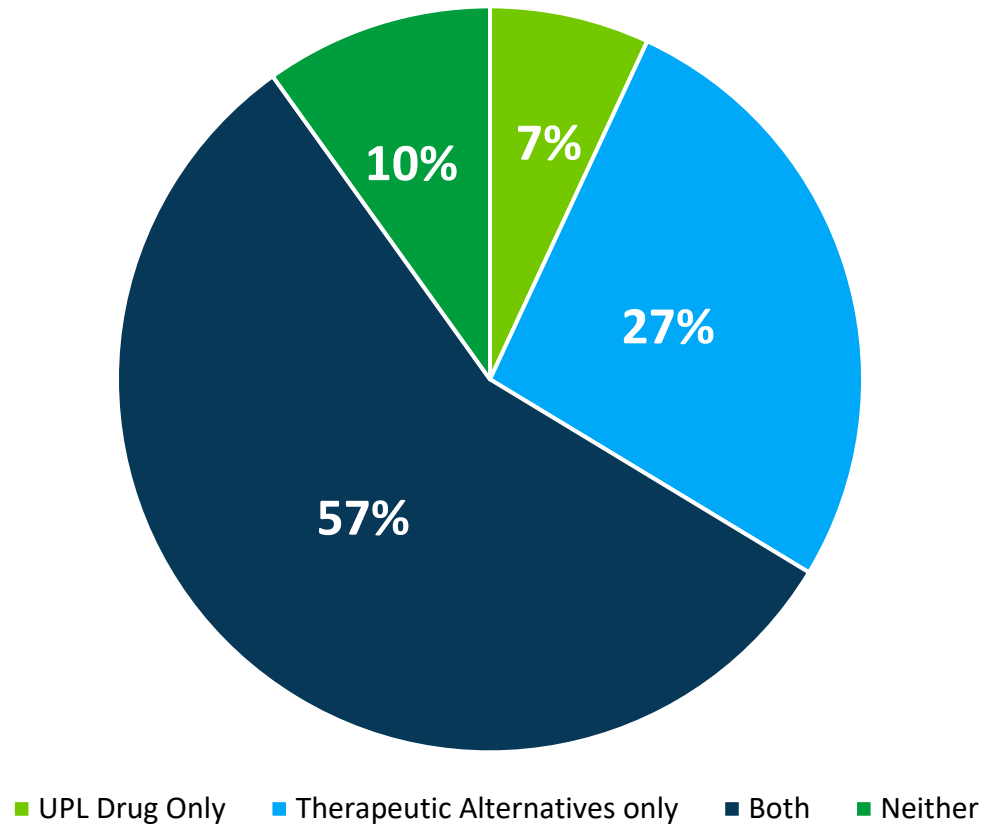


Elaborate on the types of disruption you would anticipate if a UPL was implemented

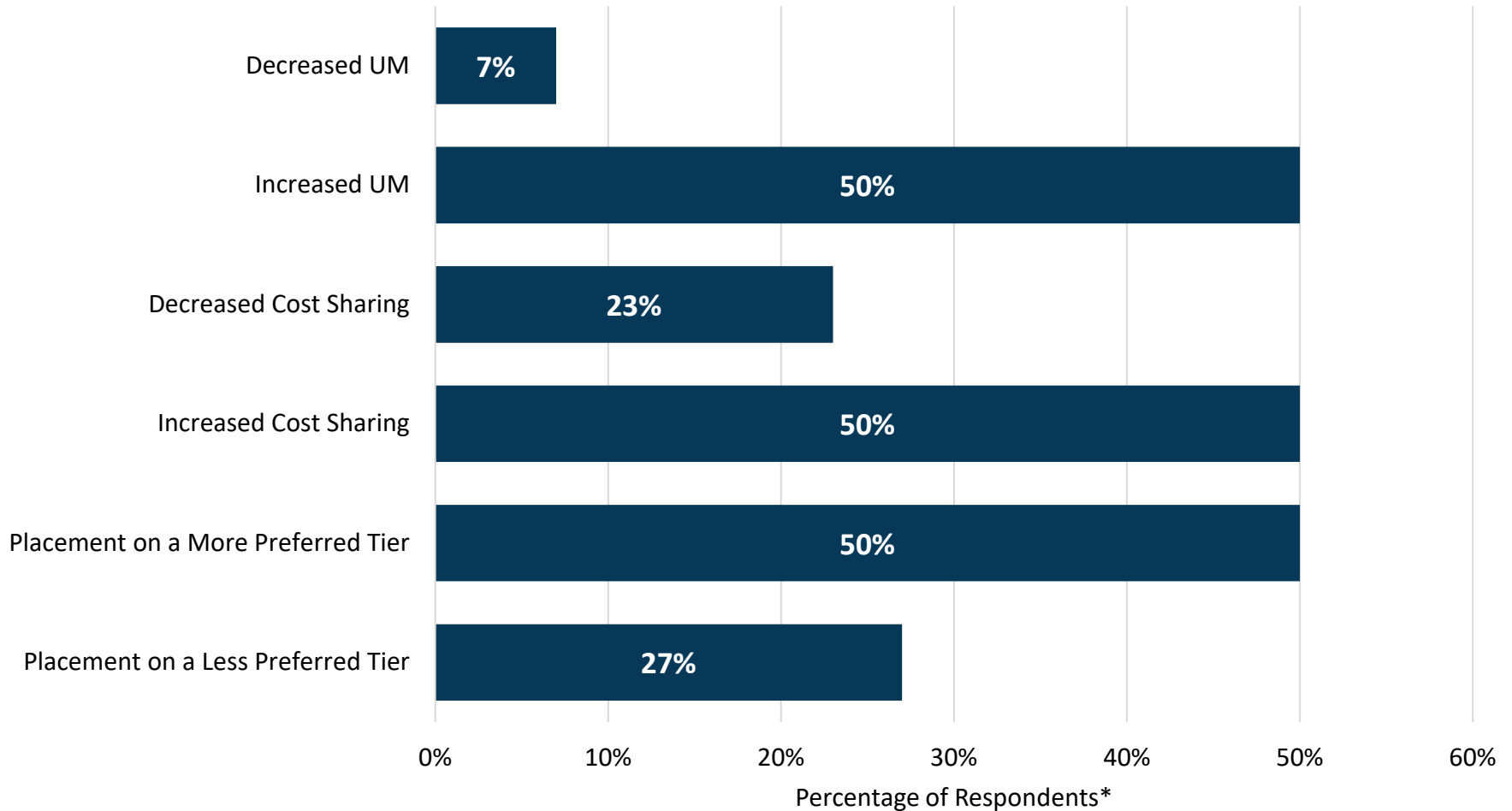


*Respondents Could Select More than One Option

If your organization anticipates making formulary or benefit design changes due to a UPL being set, would the changes be likely to affect the UPL drug, its therapeutic alternatives, or both?

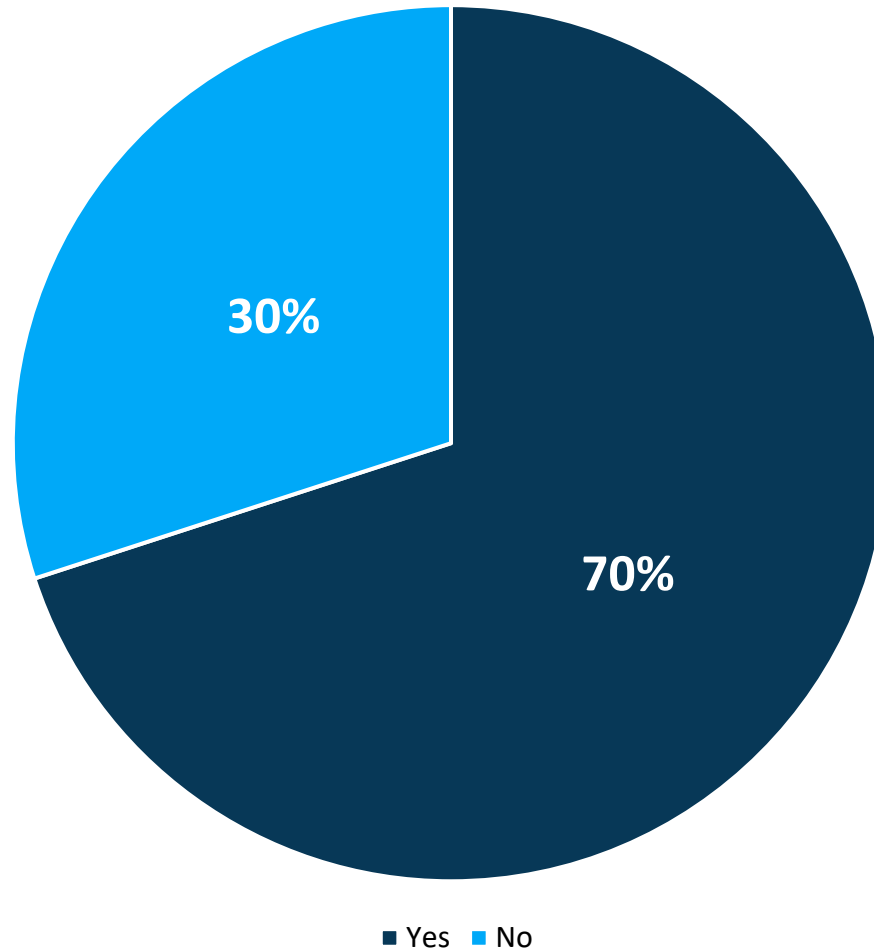


If a UPL is implemented, what actions might your organization take with respect to the UPL drug?

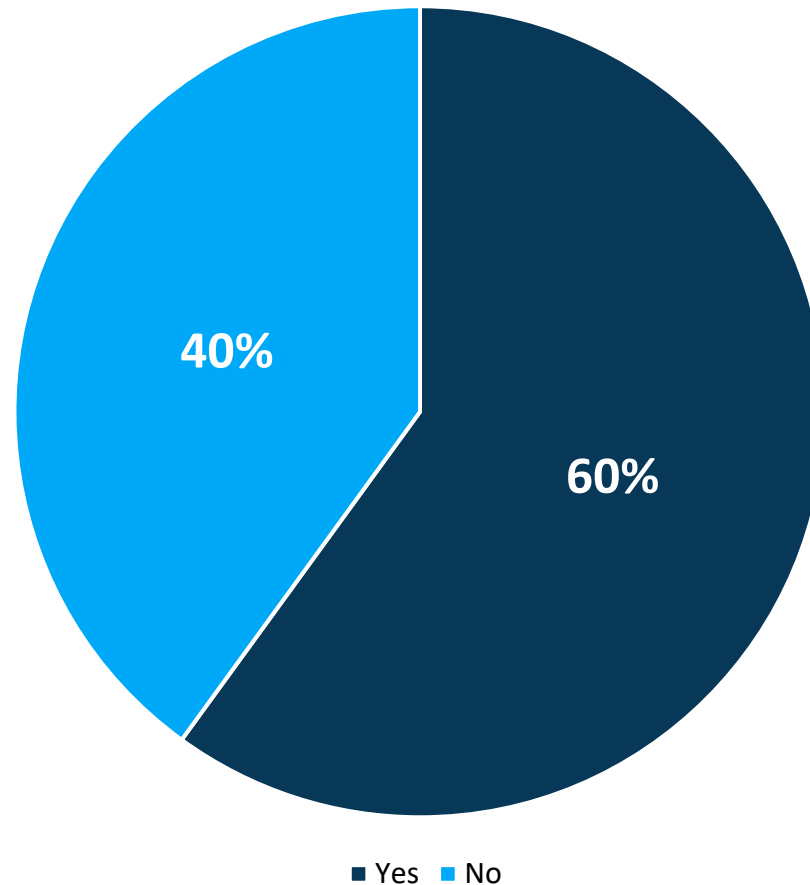


*Respondents Could Select More than One Option

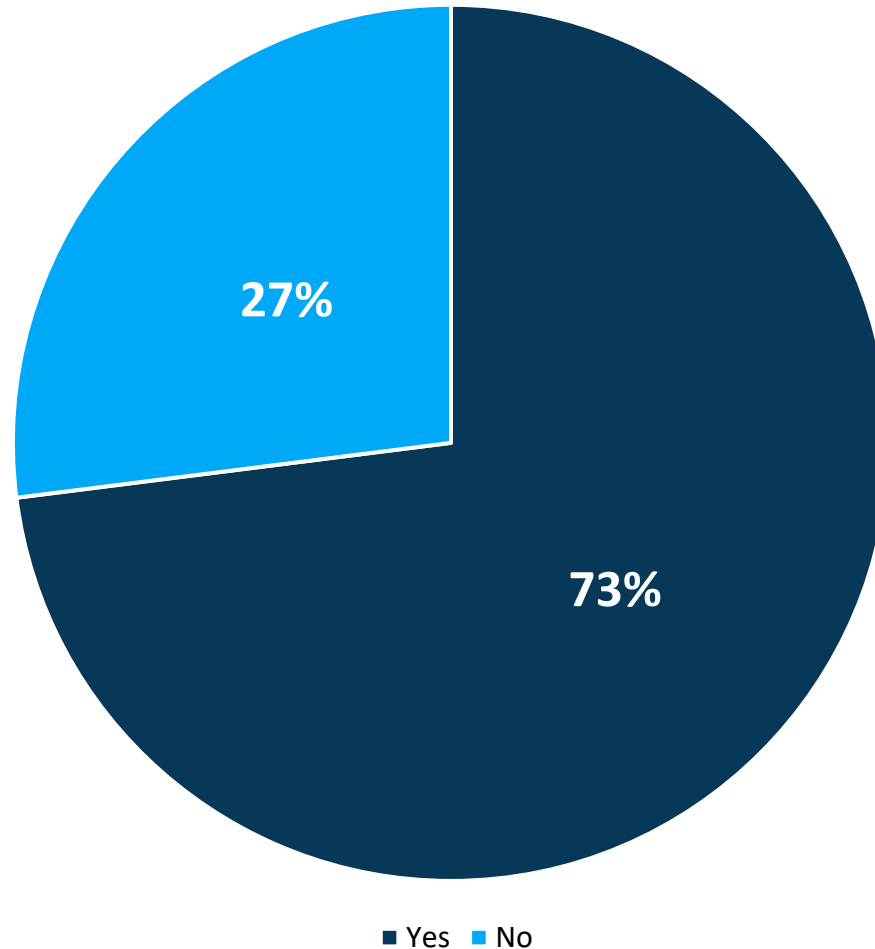
Do you think pharmacy drug reimbursement could decrease due to UPL effectuation?



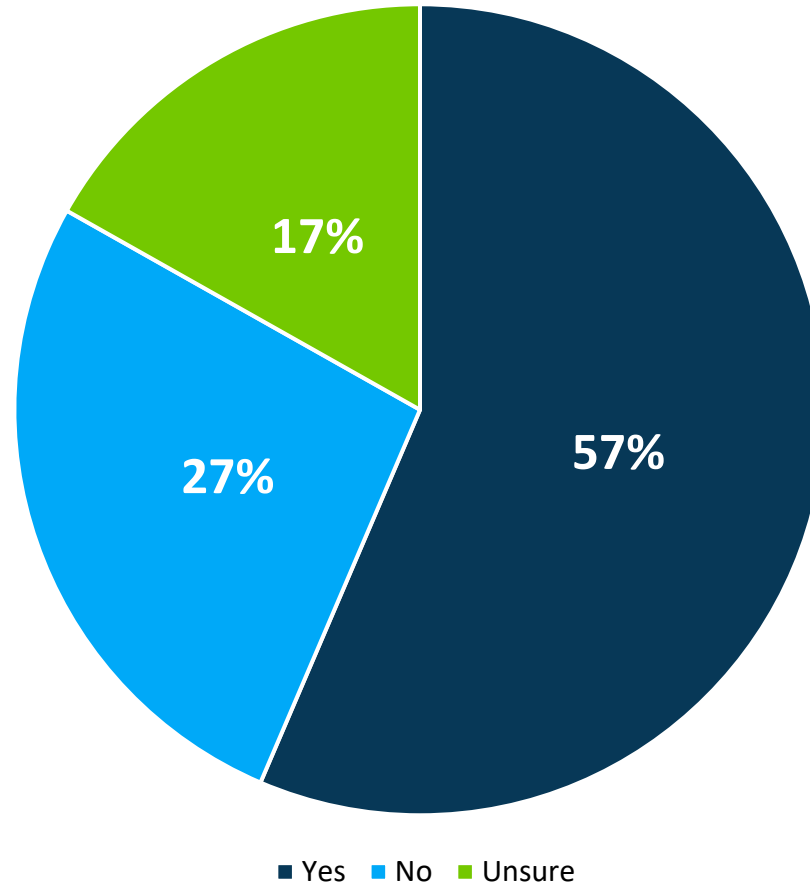
Do you think negative impacts on pharmacy reimbursement would decrease likelihood a pharmacy keeps the impacted drug in stock?



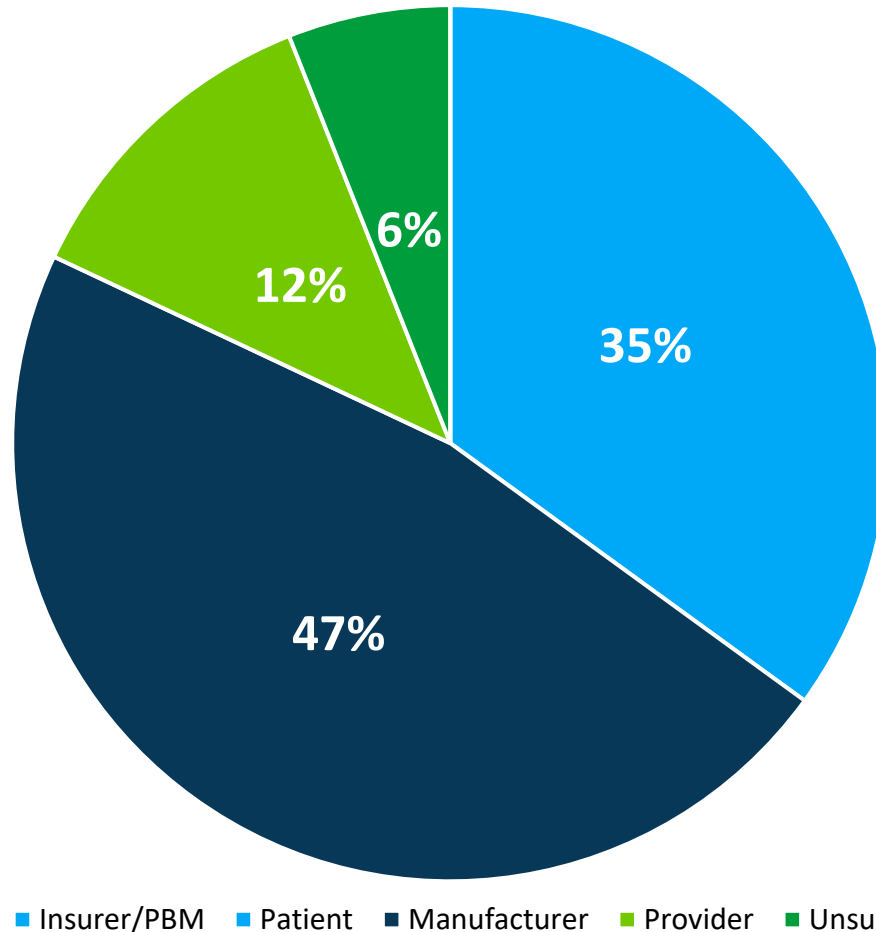
If pharmacies are unable to stock impacted drugs due to UPL effectuation, is there a risk of shortage of that drug in the state?



If a UPL is implemented, do you agree that a provider would receive a UPL-based reimbursement that would be less than what the provider would otherwise be paid for that product?



Who would make up the difference in payment to the provider?



N=17, respondents who answered "Yes" to the question to the previous question (If a Physician-Administered Drug Cannot Be Acquired Within a State At or Near the UPL, Do You Anticipate Needing To Make Changes to Contracts With Providers in Your Network To Account For How Your Plan Reimburses For Provider-Administered Products?)

Do you anticipate a UPL would affect manufacturer rebates for a drug with a UPL?

Percent of Respondents

Yes, Manufacturer Rebates Would Increase	23%
Yes, Manufacturer Rebates Would Decrease	47%
No, Manufacturer Rebates Would Remain the Same	27%
Other	3%

20 respondents added a response. Some responses are highlighted on the right.

"The entire rebate process will need to change."

"Manufactures would be asked by the state for extra supplemental rebates."



Do you anticipate a UPL would change manufacturer rebates for a drug in the same therapeutic class as a UPL drug?

Percent of Respondents

Yes, Manufacturer Rebates Would Increase	30%
Yes, Manufacturer Rebates Would Decrease	47%
No, Manufacturer Rebates Would Stay The Same	23%
Other	0%
23 respondents added a response. Some responses are highlighted on the right.	<p>"Rebates would move to a drug that is not on a UPL."</p> <p>"If certain drugs have a max limit, then other medications will be impacted."</p>



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