

# HB1964 HD2

Measure Title: RELATING TO HEALTH.  
 Report Title: Insurance; Cancer treatment  
 Description: Limits out-of-pocket costs for cancer treatment under health insurance plans. (HB1964 HD2)  
 Companion:  
 Package: None  
 Current Referral: HTH, CPN  
 Introducer(s): YAMANE

<b><u>Sort by Date</u></b>		<b>Status Text</b>
1/17/2012	H	Prefiled
1/18/2012	H	Introduced and Pass First Reading.
1/19/2012	H	Referred to HLT, CPC, referral sheet 2
2/7/2012	H	Bill scheduled to be heard by HLT on Friday, 02-10-12 9:30AM in House conference room 329.
2/10/2012	H	The committees on HLT recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 7 Ayes: Yamane, Morikawa, Belatti, Hanohano, Mizuno, Ching, Pine; Ayes with reservations: none; 0 Noes: none; and 3 Excused: Jordan, C. Lee, Wooley.
2/15/2012	H	Reported from HLT (Stand. Com. Rep. No. 422-12) as amended in HD 1, recommending passage on Second Reading and referral to CPC.
2/15/2012	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on CPC with none voting aye with reservations; none voting no (0) and Representative(s) Belatti, C. Lee, M. Lee, Tokioka excused (4).
2/16/2012	H	Bill scheduled to be heard by CPC on Wednesday, 02-22-12 2:00PM in House conference room 325.
2/22/2012	H	The committee(s) on CPC recommend(s) that the measure be deferred until 02-27-12.

2/23/2012	H	Bill scheduled for decision making on Monday, 02-27-12 2:00PM in conference room 325.
2/27/2012	H	The committees on CPC recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 8 Ayes: Representative(s) Yamane, Brower, Cabanilla, Ito, Souki, Tsuji, Marumoto, Thielen; Ayes with reservations: none; Noes: none; and 7 Excused: Representative(s) Herkes, Carroll, Coffman, Keith-Agaran, Luke, McKelvey, Ching.
3/2/2012	H	Reported from CPC (Stand. Com. Rep. No. 733-12) as amended in HD 2, recommending passage on Third Reading.
3/2/2012	H	Forty-eight (48) hours notice Tuesday, 03-06-12.
3/6/2012	H	Passed Third Reading as amended in HD 2 with none voting aye with reservations; none voting no (0) and none excused (0). Transmitted to Senate.
3/8/2012	S	Received from House (Hse. Com. No. 104).
3/8/2012	S	Passed First Reading.
3/8/2012	S	Referred to HTH, CPN.
3/13/2012	S	The committee(s) on HTH has scheduled a public hearing on 03-16-12 1:30PM in conference room 229.
3/16/2012	S	The committee(s) on HTH recommend(s) that the measure be PASSED, UNAMENDED. The votes in HTH were as follows: 5 Aye(s): Senator(s) Green, Nishihara, Baker, Chun Oakland, Shimabukuro; Aye(s) with reservations: none ; 0 No(es): none; and 2 Excused: Senator(s) Wakai, Slom.
3/22/2012	S	Reported from HTH (Stand. Com. Rep. No. 2900) with recommendation of passage on Second Reading and referral to CPN.
3/22/2012	S	Report adopted; Passed Second Reading and referred to CPN.
3/27/2012	S	The committee(s) on CPN will hold a public decision making on 03-30-12 9:30AM in conference room 229.

**TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION  
ON  
HOUSE BILL NO. 1964 H.D.2**

**March 30, 2012**

**RELATING TO HEALTH**

House Bill No. (HB) 1964, House Draft (H.D.) 2, requires that a health care service plan or health insurance policy that provides coverage for cancer chemotherapy treatment to establish limits on enrollee out of pocket costs for prescribed, orally administered, non-generic cancer medication. Out of pocket cost (cost share) are not to exceed the cost share that is equal to the percentage cost share for non-generic orally administered cancer medications or the percentage cost share for non-generic intravenous or injected cancer medications, whichever is lower.

The Department of Budget and Finance supports the intent of HB 1964, H.D. 2, to increase the treatment options for cancer patients. However, we are concerned that HB 1964, H.D. 2, limits a carrier's ability to control both the appropriateness of the care and the cost by placing limits on the cost sharing for coverage while requiring coverage for every generic and non-generic intravenously administered chemotherapy without regard to whether a non-generic medication is equally effective and less costly than its generic version.

Mandating coverage and limiting the cost share for the coverage reduces the flexibility in designing benefit plans and also places carriers at a severe disadvantage when negotiating prices with drug manufacturers. This situation further acerbates the

problem of rising health insurance cost. While HB 1964, H.D. 2, provides a benefit to a few, the rising costs of health insurance as a result of mandating benefits and the unintended consequences of shifting costs from one group to another may make coverage unaffordable for many others.



## THE OFFICIAL SPONSOR OF BIRTHDAYS.™

March 28, 2012

Senate Committee on Commerce and Consumer Protection  
Senator Rosalyn Baker, Chair  
Senator Brian Taniguchi, Vice Chair

### **Hearing:**

State Capitol Room 229  
March 30, 2012, 9:30 a.m.

### **HB 1964 HD2 - Relating to Health**

Thank you for the opportunity to provide comments in support of HB 1964, HD2, which limits out-of-pocket costs for cancer medications, including non-generic oral chemotherapy, under health insurance plans.

The American Cancer Society is the nationwide, community-based, voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service. Our mission is to advocate on behalf of those who are touched by cancer.

Oral chemotherapy medication is an alternative to the traditional inpatient procedure of receiving chemotherapy intravenously. To be treated with an intravenous medication, a cancer patient might have to undergo an otherwise unnecessary surgical procedure to install a port in their chest through which the drug would be delivered directly into the bloodstream. The patient would then be issued a "pump" to carry in a fanny pack twenty-four hours a day. The intravenous drug would require more trips to a medical facility, requiring extensive travel and time away from work. Neighbor island cancer patients have the most difficulty since they may have to travel to different islands to receive treatment. Thus, oral chemotherapy is an effective way for cancer patients to receive life-saving cancer treatment without the need for invasive procedures and an inpatient visit.

The purpose of this measure is to clarify that the costs associated with oral and intravenous chemotherapy procedures continue to be affordable to cancer patients. Under current statute, the costs for oral chemotherapy cannot be more than the costs for intravenous chemotherapy medications. It did not preclude insurers from raising the costs of intravenous chemotherapy

medications to comply with that provision. We support the amendments made in the HD2 version, which clarifies the intent of the measure and includes suggested amendments provided by other stakeholders.

Thank you for allowing us the opportunity to provide comments on this measure.

Sincerely,

A handwritten signature in black ink that reads "Cory Chun". The signature is written in a cursive style with a horizontal line extending to the right.

Cory Chun  
Government Relations Director



**HAWAII MEDICAL ASSOCIATION**

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814  
Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

**TO: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

**Senator Rosalyn H. Baker, Chair**  
**Senator Brian T. Taniguchi, Vice Chair**

**DATE: Friday, March 30, 2012**

**TIME: 9:30 AM**

**PLACE: Conference Room 229**

From: Hawaii Medical Association  
Dr. Roger Kimura, MD, President  
Linda Rasmussen, MD, Legislative Co-Chair  
Dr. Joseph Zobian, MD, Legislative Co-Chair  
Dr. Christopher Flanders, DO, Executive Director  
Lauren Zirbel, Community and Government Relations

Re: HB 1964 RELATING TO HEALTH

In Support

Chairs & Committee Members:

This bill requires health plans that provide coverage for cancer chemotherapy treatment to establish limits on out-of-pocket costs for cancer medications, including nongeneric, oral chemotherapy.

The American Cancer Society estimates that one-quarter of all deaths in the United States are due to cancer. With about one million people diagnosed with cancer each year, paying for cancer treatment is very important. About 1.5 percent of a commercially insured population has medical claims for cancer in a year. Intravenous (IV) and injected treatments were once the primary methods of cancer treatment. However, oral treatments have become more prevalent and are the standard care for many types of cancer. The coverage structure has not kept up with this trend. Many of these drugs are effective in cancer treatment, and often don't have IV or injected alternatives. There are 40 oral anti-cancer medications that are Food and Drug Administration (FDA)-approved.

When an oral treatment is determined most effective, patients are sometimes forced to make their treatment choice based on cost, rather than efficacy. This can be a large financial burden on patients. The American Cancer Society estimates that one in five cancer patients use up all or most of their savings paying for treatment.

Health care plans use different cost-sharing strategies to help control their costs, such as

**OFFICERS**

**PRESIDENT - ROGER KIMURA, MD, PRESIDENT ELECT - STEVE KEMBLE, MD**

Immediate Past President – Morris mitsunaga, MD, Secretary - Thomas Kosasa, MD,  
Treasurer – Walton Shim, MD, Executive Director – Christopher Flanders, DO

deductibles, co-insurance, and limits on coverage. The strategy of using cost-sharing to help patients make good, cost-effective choices doesn't work as intended when dealing with anti-cancer medications, where options are limited. Choice should be based on what is considered the most effective treatment in these cases, not just what is the most affordable.

Oral anti-cancer medications can have high co-pays or co-insurance and unlimited or very high patient out-of-pocket maximums on benefits, and low annual or lifetime benefit limits. Co-insurance can be as high as 50 percent on higher tier prescriptions, where many cancer medications are placed. High patient out-of-pocket maximums can mean patients must pay thousands of dollars before the plan fully covers treatment. In addition, prescription plans often limit coverage to only a few thousand dollars per year, which a cancer patient can often use up in their first month of treatment.

The Hawaii Medical Association believes that this proposal is in the best interest of the public and the benefits outweigh the costs of parity legislation.

Thank you for the opportunity to testify.