

HMSA



An Independent Company of the Blue Cross and Blue Shield Association

March 30, 2012

The Honorable Rosalyn H. Baker, Chair
The Honorable Brian T. Taniguchi, Vice Chair

Senate Committee on Commerce and Consumer Protection

Re: HB 1964, HD2 – Relating to Health

Dear Chair Baker, Vice Chair Taniguchi and Members of the Committee:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 1964, HD2 which establishes out-of-pocket limits for cancer medications. HMSA has a concern with a provision in the Bill and recommends an amendment.

We are supportive of the intent of this Bill to ensure that the out-of-pocket costs for orally administered chemotherapy drugs to not exceed the cost of intravenously administered chemo medications. We do, however, have a concern with language in the Bill that may inadvertently prevent plans from addressing spiraling costs of intravenous cancer medications. Our concern is with Section 1 of the Bill which reads, without the Ramseyered edits, as follows:

§431.10A-126(b) The cost sharing for generic and non-generic oral chemotherapy shall be provided at the same or lower amount or percentage as is applied to generic and non-generic intravenously administered chemotherapy; **provided that an insurer shall not increase the cost-share for intravenously administered chemotherapy in order to achieve compliance with this section.** [Emphasis added.]

The exact same language appears in Section 2 of the Bill amending §432:1-616, Hawaii Revised Statutes.

We agree that no one should surreptitiously increase the cost of IV administered chemotherapy drugs in order then increase the cost of oral chemotherapy drugs. However, we want to ensure that this provision does not prevent plans from taking action to address spiraling IV chemo drug costs in the future. Consequently, we ask that the following provision be deleted in both Sections 1 and 2 of the Bill:

~~[provided that an insurer shall not increase the cost-share for intravenously administered chemotherapy in order to achieve compliance with this section]~~

HMSA is very much aware of the concern over the shortage of certain drugs, especially cancer medications, and concern over the cost of these medications for our members. We recognize, however, that this is a national issue that recently has been highlighted by the President taking action through an Executive Order - providing additional resources to the FDA to address the issue. We are appreciative of this any all other efforts to ensure the availability of drug therapies needed for the proper care of our members.

Thank you for allowing us to testify on this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'JD', with a long horizontal flourish extending to the right.

Jennifer Diesman
Vice President
Government Relations