SB2087 SD1

Measure Title: RELATING TO HEALTH.

Report Title: Insurance; Chemotherapy

Description: Requires health plans that provide coverage for cancer chemotherapy treatment to establish limits on out-of-pocket costs for cancer medications, including generic and nongeneric oral chemotherapy. (SD1)

Companion:

Package: None

Current Referral: HTH, CPN

Introducer(s): GREEN

Sort by Date		**Status Text**
1/19/2012	S	Introduced.
1/19/2012	S	Passed First Reading.
1/20/2012	S	Referred to HTH, CPN.
2/3/2012	S	The committee(s) on HTH has scheduled a public hearing on 02-10-12 2:45PM in conference room 229.
2/7/2012	S	The committee(s) on HTH has rescheduled its public hearing to 02-10-12 1:30PM in conference room 229.
2/10/2012	S	The committee(s) on HTH recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in HTH were as follows: 6 Aye(s): Senator(s) Green, Nishihara, Baker, Chun Oakland, Shimabukuro, Wakai; Aye(s) with reservations: none ; 0 No(es): none; and 1 Excused: Senator(s) Slom.
2/17/2012	S	Reported from HTH (Stand. Com. Rep. No. 2310) with recommendation of passage on Second Reading, as amended (SD 1) and referral to CPN.
2/17/2012	S	Report adopted; Passed Second Reading, as amended (SD 1) and referred to CPN.
2/21/2012	S	The committee(s) on CPN will hold a public decision making on 02-24-12 9:00AM in conference room 229.

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DATE: Friday, February, 24, 2012
TIME: 9:00AM
PLACE: Conference Room 229

To: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair

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: SB 2087 RELATING TO HEALTH CARE

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. About1.5 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

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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.

KAISER PERMANENTE® Government Relations

Testimony of
Phyllis Dendle
Director of Government Relations

Before:
Senate Committee on Commerce and Consumer Protection
The Honorable Rosalyn H. Baker, Chair
The Honorable Brian T. Taniguchi, Vice Chair

DECISION MAKING
February 24. 2012
9:00am
Conference Room 229

SB 2087 SD1 RELATING TO HEALTH

Chair Baker and committee members, thank you for this opportunity to provide written testimony on SB 2087 SD1 which amends the law regarding chemotherapy services.

Kaiser Permanente Hawaii supports this bill and recommends amendments.

Because of the amendments made in the Health committee the following is unnecessary:

1) The amendment on page 1 line15 through page 2 line 2.

> "Individual and group accident and health or sickness insurance policies shall not increase enrollee cost sharing for non-generic cancer medications to any greater extent than the policy increases enrollee cost sharing for other non-generic covered medication."

The amendment on page 1 line 11-12 requires that generic and non generic drugs be treated equally which makes this amendment redundant.

2) If the first amendment is removed it is no longer necessary to define "cost share" or "cost sharing" on page 2 lines 4-6.

> "Cost share" or "cost sharing" means copayment, coinsurance, or deductible provisions applicable to coverage for oral, intravenous, or injected non-generic cancer medications.

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The reason why any amendments are necessary is that when this law was passed in 2009 the intent of the legislature was to assure that patients would not be disadvantaged by using oral chemotherapy rather than intravenous chemotherapy. In fact the language of the law requires that oral drugs be "at the same" copay as IV drugs.

Health plan designs have changed and this law now again creates a disadvantage for oral chemotherapy drugs.

In the prevalent HMO plan there is a copay per dose for all drugs administered in clinic or the hospital. Among the drugs administered in a clinic are IV chemotherapy drugs. Normally, drugs dispensed by the pharmacy to be taken by the patient at home have a copay per 30 day supply. Under the current language of the law we should be charging a per dose copay for oral drugs which would be much more expensive for the patient. In order to remedy this situation we suggested in the health committee that the current law be amended to say "at the same or lower". This would make it impossible to charge more for oral drugs than IV drugs but allow for them to be less than IV drugs.

There was also interest in assuring that there would be no disadvantage to patients who require non-generic drugs therefore the amendment that requires equal treatment of generic and non-generic was added by the health committee.

Thank you for your consideration of our proposed amendments.