

SCR 64 / SR 31

Measure Title: REQUESTING THE AUDITOR TO CONDUCT AN IMPACT ASSESSMENT REPORT ON LEGISLATION MANDATING CERTAIN HEALTH INSURANCE COVERAGE FOR OUTPATIENT PRESCRIPTION DRUGS.

Report Title: Outpatient Prescription Drugs; Health Insurance Coverage; Auditor

Description:

Companion:

Package: None

Current Referral: CPN, WAM

Introducer(s): GREEN



NEIL ABERCROMBIE
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TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2014

Friday, March 21, 2014
9:30 a.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON SENATE CONCURRENT RESOLUTION NO. 64 AND SENATE RESOLUTION 31 – REQUESTING THE AUDITOR TO CONDUCT AN IMPACT ASSESSMENT REPORT ON LEGISLATION MANDATING CERTAIN HEALTH INSURANCE COVERAGE FOR OUTPATIENT PRESCRIPTION DRUGS.

TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department takes no position on this resolution, and submits the following comments.

The purpose of this resolution is to require the Auditor to conduct an impact assessment report of the social and financial impacts of mandating certain health insurance coverage for outpatient prescription drugs. Senate Bill No. 2173 would mandate that policies of insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations that include coverage for prescription drugs and use a specialty drug tier limit copayment or coinsurance applicable to specialty drugs to \$150 per month for each such drug by amending several sections of the insurance code, as well as prohibit placing all drugs in a given class of drugs on a specialty drug tier.

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The Insurance Division does not regulate or oversee these types of contractual provisions or requirements between health insurers, insureds, pharmacies, and medical providers. This is also a medical matter that is outside our area of expertise. The Insurance Division does not have the medical expertise to regulate classes of drugs and specialty drug tiers.

We thank this Committee for the opportunity to present testimony on this matter.



The National Patient Organization Dedicated to Advocacy, Education and Research for Primary Immunodeficiency Diseases

March 12, 2014

Senate of the Hawaii State Legislature

RE: Support of SCR64, REQUESTING THE AUDITOR TO CONDUCT AN IMPACT ASSESSMENT REPORT ON LEGISLATION MANDATING CERTAIN HEALTH INSURANCE COVERAGE FOR OUTPATIENT PRESCRIPTION DRUGS.

The Immune Deficiency Foundation (IDF) writes in support of SCR64, which would require the Auditor to conduct an impact assessment report of mandating certain health insurance coverage for specialty drugs.

Founded in 1980, IDF is the national patient organization dedicated to improving the diagnosis, treatment and quality of life of persons with primary immunodeficiency diseases (PI) through advocacy, education and research. Patients with primary immunodeficiency diseases are born with malfunctioning or nonexistent immune systems. As a result, they are prone to infections and illnesses from any kind of virus, bacteria or fungi.

Many of our patients are unable to produce antibodies necessary to fight disease. These patients require regular, lifelong treatments of immunoglobulin replacement (Ig) therapy, a biologic product derived from pooled plasma. When Ig is infused on a routine basis, the antibodies in the donated plasma act as a temporary immune system for our patients keeping them healthy and productive.

SCR64 is very important for Hawaii citizens who suffer from a PI. The use of specialty tiers that require the insured pay a percentage of the cost of a drug creates unaffordable co-insurance fees. For patients with PI who require Ig therapy, these co-insurance costs can amount to thousands of dollars per month for this complex, biologic treatment. Most families cannot afford to pay such large costs and instead go without care.

Without treatment, patients with PI will be ill more often, utilizing the health care system constantly and developing serious and severe co-morbidities and disabilities. The current situation isolates those with chronic conditions who need expensive therapies and makes their cost of care unaffordable, which is tantamount to a denial of treatment. This issue should be studied so that legislation can be introduced that addresses these patients' needs.

Thank you for your consideration of this critical issue, and we urge a favorable report for SCR64. Should you have any questions please contact Emily Hovermale, Director of Public Policy, at 443-632-2544 or at ehovermale@primaryimmune.org.

Regards,

A handwritten signature in black ink, appearing to read 'Lawrence LaMotte', is written over a horizontal line.

Lawrence LaMotte
Vice President, Public Policy