

SENATE BILL REPORT

EHB 1517

As Reported by Senate Committee On:
Health & Long-Term Care, March 21, 2011

Title: An act relating to requiring comparable coverage for patients who require orally administered anticancer medication.

Brief Description: Requiring comparable coverage for patients who require orally administered anticancer medication.

Sponsors: Representatives Jinkins, Hinkle, Green, Harris and Stanford.

Brief History: Passed House: 3/04/11, 80-17.

Committee Activity: Health & Long-Term Care: 3/16/11, 3/21/11 [DPA, w/oRec].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass as amended.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Becker, Ranking Minority Member; Carrell, Kline, Murray and Pridemore.

Minority Report: That it be referred without recommendation.

Signed by Senators Parlette and Pflug.

Staff: Mich'l Needham (786-7442)

Background: Chemotherapy is a type of cancer treatment involving drugs that target rapidly-dividing cells. Depending on the type of cancer and the kind of drug used, chemotherapy drugs may be administered differently. They can be administered orally or injected into a muscle, under the skin, into a vein, or into the fluid around the spine. Most chemotherapy is delivered via parenteral (injected) routes. Chemotherapy is often administered in a physician's office or facility, and is generally covered under the major medical portion of an insurance benefit package. There are a wide range of billing codes that reflect the time and complexity of chemotherapy administration services and chemotherapy drugs. Some chemotherapy drugs can be taken orally and can be self-administered. The prescribed oral drugs are generally covered under the prescription drug benefit in the insurance package, which often has different cost-sharing.

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The Department of Health (DOH) completed a sunrise review of mandated coverage for oral chemotherapy drugs in December 2010. DOH concluded that the proposal "is in the best interest of the public and the benefits outweigh the costs of parity legislation for oral anti-cancer treatments." DOH also concluded that there may be some unintended consequences associated with the proposal, such as less favorable coverage for parenteral chemotherapy drugs and lack of coverage for biologic agents.

Summary of Bill (Recommended Amendments): Beginning January 1, 2012, all regulated health plans, including health plans offered to public employees and their dependents, that provide coverage for chemotherapy must provide coverage for prescribed, self-administered anti-cancer medication that is used to kill or slow the growth of cancerous cells on a basis at least comparable to chemotherapy medications administered by a health care provider or facility. This does not prohibit a health plan from administering a formulary or preferred drug list, requiring prior authorization, or imposing other appropriate utilization controls in approving coverage for any chemotherapy.

Each health plan offering individual or small group products that provides coverage for prescribed, self-administered anticancer medication as required by this act must report to the Health Committees of the Legislature by November 1, 2013, with a summary of their cost experience.

EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (Recommended Amendments): Adds a requirement for each health plan offering individual or small group products that provides coverage for prescribed, self-administered anticancer medication as required by this act must report to the Health Committees of the Legislature by November 1, 2013, with a summary of their cost experience.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Engrossed House Bill: PRO: Nearly everyone is touched by cancer at some point, directly or through family and friends. Access to the best treatment is critical for survival. Oral chemotherapy drugs can result in thousands of dollars in out-of-pocket costs because they are covered in benefits differently than other chemotherapy. This bill provides flexibility for the carriers to design the coverage to achieve comparability, and now the carriers are neutral and the Health Care Authority fiscal note is neutral. Consumers should have access to the best treatment options without having to fight insurance coverage or worry about huge out-of-pocket expenses. The oral medications can be cheaper than the other alternatives especially when factoring in other products for anti-nausea and the ability to keep working rather than be treated in an in-patient setting. The bill was discussed in 2009 and went through a complete sunrise review and has been worked to address the concerns of carriers and the state Health Care Authority. There is not a lot of

overlap in the form that appropriate drugs come in, many are only available in an oral medication.

CON: The benefit structures for different insurance components are separate pieces - medical, pharmacy, and dental coverage may look to a consumer like one package of benefits but represent separate packages of coverage. This measure blends the benefits of different packages for one disease. How will we deal with other diseases that have the same potential as new drugs emerge? We need to look at the larger context and not make decisions disease by disease. Small businesses will be hurt by the benefit mandate. It will drive up the cost of the insurance they purchase - it is not the same coverage offered in the Uniform Medical Plan reflected in the fiscal note - and there will be price impact on the cost of coverage for small business.

Persons Testifying: PRO: Representative Jenkins, prime sponsor; Representative Harris, sponsor; Senator Hill, Lori Belinski, self; Marcia Fromhold, Fred Hutchinson Seattle Cancer Center; Lisa Thatcher, GlaxoSmithKline; Erin Dziedzic, American Cancer Society.

CON: Mel Sorensen, America's Health Insurance plans, WA Assn. of Health Underwriters, National Alliance of Insurance and Financial Advisors; Gary Smith, Independent Business Assn.