

Follow-Up of Study on Cost Sharing for Specialty Tier Prescription Medications

Healthy Living/Health Services Subcommittee
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Purpose of 2011-2012 Study

- ◆ 2011: HJR 579 (Delegate O'Bannon) directed the Joint Commission on Health Care (JCHC) to conduct a two-year study to:
 - ◆ Determine the impact of cost sharing, coinsurance and specialty tier pricing on access to prescription medications for chronic health disorders, and
 - ◆ Identify and evaluate options for reducing any negative impacts of cost sharing, coinsurance and specialty tier pricing, including but not limited to statutory limitations on cost sharing obligations for prescription medications
- ◆ Left in the House Committee on Rules, but agreed to by JCHC members
- ◆ A public meeting was held on May 30, 2012 to receive input from key stakeholders including the Virginia Association of Health Plans, National Federation of Independent Business, National MS Society, Patient Services Inc., Patient Advocate Foundation, UCB Pharmaceuticals, Pfizer, U.S. Pain Foundation, Virginia Chamber of Commerce, Virginia Hemophilia Foundation, Virginia Pharmacists Association, Virginia Organizations Responding to AIDS, and citizens affected by specialty tier pricing

Study Presentation and Approved Option

- ◆ The results of the study were presented at JCHC's September 18, 2012 meeting
- ◆ During the Decision Matrix meeting last November, JCHC members voted to introduce legislation requiring qualified health plans to allow individuals, who are expected to incur costs in excess of the cost sharing limits set by the Affordable Care Act, the option of paying their capped out-of-pocket amount in 12 equal installments over the course of the year.

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Virginia 2013 Legislation

- ◆ SB 945 (Senator Linda T. Puller) and HB 2030 (Delegate Christopher K. Peace)
 - ◆ The legislation would have required health benefit plans to allow certain covered persons to pay their cost-sharing obligations in 12 equal monthly installments. This option would be for persons whose prescription costs were expected to exceed their total cost-sharing obligations for the plan year.
 - ◆ Both bills were amended in the nature of a substitute:
 - ◆ Directed the Virginia Department of Health to convene a work group to develop recommendations regarding issues relating to patient assistance programs for specialty drug needs and the authority of health insurers to move a drug to a higher cost-sharing tier or otherwise modify prescription drug coverage without notifying the insured individuals.
 - ◆ SB 945 incorporated SB 947, passed in the Senate but was tabled in the House Committee on Health, Welfare and Institutions
 - ◆ HB 2030 was referred to, and then left in the House Appropriations Committee

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Patient Assistance Programs by Pharmaceutical Companies

- ◆ During the JCHC work plan meeting last month, Delegate O'Bannon requested additional information on the patient assistance programs (PAPs) offered by pharmaceutical companies
 - ◆ Developed to help uninsured/underinsured individuals who do not qualify for Medicaid or Medicare but are unable to afford their medications due to limited income and high drug costs
 - ◆ No single coordinated PAP for the pharmaceutical industry
 - ◆ Each company has its own charitable program for their medications
 - ◆ Eligibility requirements and program parameters vary across companies
 - ◆ A single coordinated PAP for the pharmaceutical industry is not considered to be feasible due to:
 - ◆ Anti-trust laws that prohibit companies from collaborating and/or discussing cost
 - ◆ Individualized nature of the PAPs, with each company setting its own eligibility requirements and the type/degree of charitable assistance

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Other Relevant Activities

- ◆ The Virginia Alliance for Medication Affordability and Access (VAMAA) is in the process of conducting a survey of Virginians who need specialty tier medications for their medical condition(s)
 - ◆ Results are expected to be available by October 2013 and will provide more specific data on patient demographics, problems of access to/affordability of specialty tier medications, and an estimate of the percent of the population affected
- ◆ A study of the potential impact of implementing cost-sharing limits on health insurance premiums is being conducted by the Milliman Group for Pfizer

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Update on Federal and Other-State Legislation

- ◆ Patients' Access to Treatments Act of 2013 (PATA). Rep. David McKinley , WV
 - ◆ H.R. 460 limits co-pay, coinsurance or other cost-sharing requirements applicable to prescription drugs in a specialty drug tier to the dollar amount (or its equivalent) of such requirements applicable to drugs in a non-preferred brand drug tier
 - ◆ February 8, 2013: Referred to the House Energy and Commerce's Subcommittee on Health
- ◆ In Delaware, a vote on SB 35 is expected this week in the Senate
 - ◆ Limits co-pays and co-insurance for specialty tier drugs to \$150 for a 30-day supply of any single drug

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Internet Address

Visit the Joint Commission on Health Care website:
<http://jchc.virginia.gov>



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