

TALKING POINTS

Support for Oral Chemotherapy Fairness

The Michigan Cancer Treatment Fairness Coalition supports legislation (House Bill 5367 & Senate Bill 492) to equalize out-of-pocket costs for intravenous and oral chemotherapy drugs, reducing financial barriers and increasing access to the best available treatment regimens.

What is oral chemotherapy fairness? Why is it important?

- Oral chemotherapy fairness legislation would equalize the out-of-pocket cost to the patient for oral chemotherapy and intravenous chemotherapy.
- Today, oral chemotherapies comprise about 10% of available chemotherapies and roughly 25% of the medications in the oncology development pipeline – indicating a growing role for oral chemotherapy in cancer treatment.
- The emergence of clinically safe and effective, orally administered anticancer medication has significantly increased the treatment options for cancer patients. One of the most significant barriers to their use is greater patient out-of-pocket costs for oral therapies versus patient out-of-pocket costs for intravenous (IV) medications.
- Intravenously administered anticancer medications are typically covered under an insurance plan's medical benefit, where most patients are only responsible for an office copayment for each episode of care and are not required to pay a separate fee for the IV drug.
- Orally administered anticancer medications, on the other hand, are covered under an insurance plan's pharmacy benefit, where many of these agents are placed on a 4th or "specialty" tier of a prescription formulary. According to the Kaiser Family Foundation, the average coinsurance rate for 4th tier drugs is 28 percent. For a \$3,000 per month oral anticancer medication, this could mean close to \$900 in out-of-pocket costs per month.
- Research and development will result in an increased number of oral options for patients, but many current health insurance benefit designs can create burdens for patients seeking access to lifesaving medications.

Impact on Patients

- Certain newer chemotherapies are available only in oral formulation, forcing patients to have to pay more for what their doctor feels is best for them or take a less effective therapy that is available in an intravenous form.
- The out-of-pocket cost disparity between IV and oral chemotherapy can lead to patients making treatment decisions based on cost and not on what their doctor has recommended.
- Oral chemotherapy is often more convenient and can be taken at home, requiring less time off from work and less travel time to and from medical facilities.

JAMA oncology study which relates to costs to insurers

Fiscal Impact Studies/Premiums:

Attached please find a summary chart of the formal and informal fiscal impact responses states have provided regarding the impact of oral parity on premiums. Some states conducted a fiscal analysis as part of the legislative process as the bill moved through the state legislature. Others states provided impact responses as a result of inquiries from other states who were in the process of moving their own oral parity laws. Of the 43 states (plus DC) that have passed oral parity, we have fiscal impact information from 14 states. Of those 14, 9 found no attributable or estimated premium increase as the result of passage of oral parity (CO, CT, IL, IN, KY, ME, MO, TX, VT). The 5 states that said there was an impact, or estimated there would be in an impact, reported that premium increases were very minimal or negligible - ranging from 0.0014% to 0.2% (CA, KS, MA, OR, WA).

Costs to Insurers:

A study recently published in the Journal of the American Medical Society Oncology found that in the period studied, for the 16 states studied, oral parity laws have been effective in increasing the number of \$0 co-pays *while having no effect on health plans in terms of increased costs*.

The Bottom Line: While many states' versions of parity bills differ in one form or another, and while different studies have analyzed different forms a data and data sets, the studies' findings overall suggest the cost to insurers is nonexistent and that its impact on premiums is at most miniscule in nature.

If studies show parity bills do not cost insurers, why do premiums rise? That's question for the insurers.

Polling:

- Voters overwhelmingly approve of parity legislation for oral cancer medications. In a recent national survey, 70 percent of voters supported parity policies with only 9% opposing. The support cut across party lines, with 78% of Republicans supporting such policies, along with 70% of Independents and 66% of Democrats.
- What's more, more than half of Republicans surveyed said they would be more likely to re-elect their lawmakers if they supported parity policies for cancer patients on oral treatments.
- These results are based on a national survey of 800 registered voters by Public Opinion Strategies in December of 2017 and January of 2018.