

February 25, 2015

The Honorable Laurie Monnes Anderson, Chair
Senate Committee on Health Care
Oregon State Capitol
900 Court Street, NE
Salem, OR 97301

Re: SB 93 – OPPOSE

Dear Senator Monnes Anderson and Members of the Committee,

Moda Health is opposed to Senate Bill 93, legislation that would mandate reimbursement for up to 60-day supplies for prescription drugs prescribed for chronic conditions. SB 93 would create unnecessary controls over provider prescribing practices and lead to increased pharmaceutical costs for insurers, self-insured organizations and consumers.

Moda Health is a Northwest-based health insurer providing dental, medical and pharmacy insurance and administrative services in Oregon, Washington and Alaska. We are the administrator for Oregon's Prescription Drug Program (OPDP), which includes over 160,000 members enrolled in the Oregon Educators Benefits Board (OEBB), SAIF or other self-insured and government programs statewide, as well as almost 290,000 under- and uninsured residents who have benefitted from the preferential drug prices that the OPDP program has made possible. Moda Health takes pride in the diversified range of clinical and pharmacy cost management services and strategies we deploy on behalf of the more than 1.2 million individuals in the Pacific Northwest for whom we provide prescription drug coverage.

Chronic conditions, such as diabetes, hypertension and high blood pressure, affect over 40% of the U.S. population and account for over 75% of national health care spending. All communities involved in healthcare management have a common interest in ensuring the safest, most efficacious and cost effective options are available to make certain that patients receive the right medication at the right time and at the most affordable price.

SB 93 is problematic in achieving these objectives for several reasons.

SB 93 could increase costs to payors and consumers. Oftentimes patients who are newly diagnosed with a chronic condition may have the medication dose adjusted or even discontinued in lieu of other medication options as their provider evaluates treatment response and tolerability, thereby determining the best course of treatment for that patient's specific condition and medication needs. SB 93 may result in patients who are newly diagnosed with a chronic condition to start with a 60-day supply of medication. This mandate ignores the fact that new medication starts often change. This will



modahealth.com

601 S.W. Second Avenue Portland, Oregon 97204 ▶ 800-578-1402



result in wasted medications and unnecessary higher costs for insurers, self-insured groups and consumers.

SB 93 limits the ability for insurers and self-insured groups to use the most clinically appropriate and cost effective distribution channel for medications to treat members diagnosed with chronic conditions. Consumers who have stabilized on a course of therapy oftentimes can save money and lower their plan's prescription drug costs by electing to use alternative and less expensive fulfillment channels for their medications. SB 93 would result in prescription medications that normally would be filled using mail order to instead be filled at retail pharmacies, which are a more costly option for consumers, insurers and self-insured groups.

SB 93 ignores the fact that generally there is no diagnosis codes included with a prescription when written by a prescriber. Pharmacies receive no instructions or knowledge that a prescribed medication is being used to treat a specific chronic condition. SB 93 disregards how a pharmacy will know that the prescribed medication is being used to treat a chronic condition for reimbursement purposes. Additionally, many drugs are also prescribed for off-label reasons that might not have anything to do with a chronic condition and the diagnosis may not be indicated on the prescription. SB 93 affords no options for pharmacies and payors to address these issues, thus raising the prospect of unintended higher costs.

Finally, SB 93 requires the Board of Pharmacy (BOP) to create a list of chronic conditions for which a 60-day supply of prescription drugs must be reimbursed. This could include Schedule drugs and other products that may be abused by patients, such as pain medications. Such a mandate goes outside the scope of practice for the Board of Pharmacy and for pharmacists, in general, and usurps the role of the physician to diagnose a patient's medical condition as chronic requiring ongoing therapy. This provision of SB 93 oversteps the decision-making authority of a patient's physician to treat patients.

Health plans, insurers, self-insured employer groups and others who pay for the cost of medications must retain the flexibility to design appropriate prescription drug benefits and reimbursement strategies that suit the specific needs of their member populations. Mandates or restrictions – especially in an area of pharmacy that is rapidly benefiting from large numbers of expensive new drug therapies to treat chronic conditions – will prevent Oregon's insurers, self-insured groups and consumers from benefitting from the most efficacious and cost effective options for fulfillment to keep drug costs financially sustainable. For these reasons, we are opposed to SB 93.

We appreciate the opportunity to comment on this bill. If you have any question, please do not hesitate to contact me at robert.judge@modahealth.com, or (503)265-2968.

Sincerely,



Robert Judge
Director of Pharmacy Services