



Ensuring Access to Prescription Medications

SB 237

The Problem

The emergence of innovative new treatments has dramatically changed the landscape for a number of patients: many once-fatal or disabling diseases are now manageable chronic conditions, and in other cases, both life-expectancy and quality of life have seen marked improvements. But today, under many health insurance plans, the patients who stand to benefit from these therapies cannot access them without first paying thousands of dollars in out-of-pocket costs. This is typical for medications used to treat cancer, HIV/AIDS, arthritis, multiple sclerosis and other debilitating and life-threatening diseases.

The Patient Impact

When cost-sharing becomes a barrier to access, patients find themselves facing difficult decisions about whether to take medically-necessary treatments or risk their family’s financial stability. Patients have reported going into debt, forgoing other necessary expenses and, at worst, abandoning their treatment completely. Patients who abandon treatment can end up getting sicker and perhaps even end up back in the hospital, which only triggers more costs to our healthcare system. Simply put, high cost-sharing lowers medication adherence,ⁱ a problem estimated to cost the US \$290 billion annually.ⁱⁱ

Health plans sold on the Oregon health insurance marketplace have significantly high prescription drug out-of-pocket costs. These impact Oregonians living with chronic and life-threatening diseases by posing financial barriers to access. Below is an overview of the types of plans available to Oregon consumers.

Of all Oregon health plans sold on the healthcare exchange in 2016:

- In the specialty tier, every available plan utilizes coinsurance, a percentage of a medication’s cost. This often translates to an out-of-pocket cost in the thousands of dollars
- In the non-preferred brand tier, only 4% of plans had copays; the rest utilize coinsurance

Sarah’s Story

“I have had psoriasis since 1994, and psoriatic arthritis since 2006. Psoriasis and psoriatic arthritis are serious, autoimmune diseases with profound physical, psychological and economic burdens.

“I shouldn’t have to choose between paying rent, buying groceries, paying the light bill, and vital medication. But, I have had to do all of this. I’ve had to wait in line at the food banks more than I care to admit, and I make a good salary.”

Below are the prescription drug cost-sharing levels for 2016 standard plans in Oregon:

Metal Tier	Deductible	Out-of-pocket Max	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Bronze	\$7,150	\$7,150	\$35	\$0 after deductible	\$0 after deductible	\$0 after deductible
Silver	\$2,500	\$6,850	\$15	\$50	50%	50%
Gold	\$1,000	\$6,850	\$10	\$30	50%	50%

The Solution

As members of the patient advocacy community from throughout the state, we strongly support efforts to increase access to medication for Oregonians. We urge you to support SB 237 which will help ensure that patients living with chronic conditions have affordable, predictable out-of-pocket costs for the treatments they need. SB 237 applies the following requirements to state-regulated insurance plans:

- Each carrier must ensure that a pre-deductible copay is applied to the entire prescription drug benefit in at least 25% of individual and group plans offered in each service area and on each metal tier
- This copay-only benefit design must be reasonably graduated and proportionately related across all tiers of the plan’s formulary
- If a carrier offers only one plan in a given metal level within a service area, that one plan must meet the requirements described above

Colorado implemented a similar requirement for plans sold on their state health insurance exchange and found that:

- Copay only plans did not have universally or significantly higher premiums than plans that incorporated copays and coinsurance
- Cost-sharing for other benefit categories in copay only plans did not appear to be appreciably higher than in plans that were not designed to meet the copay only requirement
- The copay only requirement did not appear to negatively affect the number of issuers participating in plans offered in the state ⁱⁱⁱ

On behalf of Oregonians living with chronic and life-threatening diseases, we ask you to support SB 237 which will ensure consumers have predictable and transparent access to treatment.

With questions, please contact:

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ⁱ Roebuck, et al. “Medication Adherence Leads to Lower Health Care Use and Costs Despite Increased Drug Spending.” *Health Affairs*. January 2011. 30:1

ⁱⁱ New England Health Institute. “Poor Medication Adherence costs \$290 billion a year.” 2009. See: <http://mobihealthnews.com/3901/>

ⁱⁱⁱ The Moran Company. “Complete Findings from Colorado Insurance Landscape Analysis 2016”. 2016.