

March 17, 2017

Senate Committee on Health Care  
Oregon State Legislature  
900 Court St. NE  
Salem, Oregon 97301

**Re: Support for SB 237**

Dear Chairwoman Monnes Anderson and Members of the Committee,

The Leukemia & Lymphoma Society (LLS) writes to you today to urge your support for Senate Bill 237, which seeks to improve access to affordable and transparent coverage for medications.

Increasingly, insurers are requiring consumers to pay a percentage of the total cost of their medications, a type of cost-sharing known as coinsurance. In the last several years, coinsurance higher than 30% have become much more prevalent in exchange plans.<sup>i</sup> Coinsurance can translate to thousands of dollars in out-of-pocket costs.

Making this problem even worse is the growing prevalence of high deductibles: nationwide, the average combined deductible in silver plans this year is \$3,703.<sup>ii</sup>

Taken together, these benefit designs require patients to pay high upfront costs in order to access the treatment that offers the greatest potential medical benefit. When cost-sharing becomes a barrier to access, patients do not use their medications appropriately, skipping doses in order to save money or abandoning a treatment altogether.

Last year, in an effort to address this issue, Representative Rob Nosse convened the Drug Pricing and Cost Workgroup. Alongside that effort, a coalition of patient and consumer groups came together to help guide the Workgroup. LLS had the honor of participating in both venues, where our organization – along with other advocacy groups – emphasized the need to protect patients from high out-of-pocket costs, in particular coinsurance and large deductibles. Specifically, we urged the Workgroup to design a legislative solution that would:

- ***Ensure that the out-of-pocket cost for any one prescription is manageable***
- ***Eliminate the shock of a high, upfront deductible***
- ***Guarantee that patients can plan financially for the medications they will need***

While LLS is grateful to the Workgroup for having taken these recommendations into account, LLS and its coalition partners continue to see great need for a legislative solution that is strictly focused on how cost-sharing impacts patient access. For that reason, SB 237 is before you today, representing a vision from the patient community for how to deliver the protections referenced above, in a manner that's fair and balanced:

- ***Ensure that the out-of-pocket cost for any one prescription is manageable***  
SB 237 requires that insurers offer at least 25% of plans in each metal tier have a “copay-only” pharmacy benefit structure. These copays can provide patients with more manageable costs than the existing 50%

coinsurance that's prevalent in Oregon's standard silver and gold plans.

- ***Eliminate the shock of a high, upfront deductible***  
SB 237 requires that the above mentioned copays be exempt from any deductibles. This ensures that patients are able to access their medications without having to first pay a huge portion of their healthcare costs upfront at the beginning of the year.
- ***Guarantee that patients can plan financially for the medications they will need***  
Because SB 237 requires a portion of plans to have copay only pharmacy benefit structures, consumers who rely on specialty medications will know exactly what their medications will cost when they purchase their plan. This allows consumers to plan financially for their care over the course of the year.

Again, LLS believes strongly that SB 237 offers a fair and balanced approach to this critical access issue, and hopes that you will join us in supporting this critical legislation. If enacted, SB 237 could have a profoundly positive impact on thousands of Oregonians living with chronic and life-threatening diseases.

Thank you for scheduling a hearing to discuss this important issue. LLS values your time and consideration. If you have questions or concerns, please don't hesitate to contact me at 415-625-1105 or [thea.zajac@lls.org](mailto:thea.zajac@lls.org).

Sincerely,

Thea Zajac, MSW  
Regional Director, Government Affairs  
The Leukemia & Lymphoma Society

Enclosed: Please see our submitted coalition fact sheet for more information about SB 237.

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<sup>1</sup>Avalere Planscape. December 2016

<sup>2</sup>Avalere Health. "2017 Health Insurance Exchange Snapshot." January 2017