

Testimony in Opposition to HB 4156

February 7, 2018

Dear Chair Greenlick and Members of the House Health Care Committee:

Thank you for the opportunity to share Kaiser Permanente's concerns with House Bill 4156, which limits our ability use evidence based medicine to manage our formulary.

All formulary changes are approved by the Kaiser Permanente Pharmacy and Therapeutics Committee based on evidence of efficacy, safety, and overall value. Proposed formulary changes are reviewed and endorsed by specialist physicians. We work closely with providers to recommend evidence based therapy both for innovative new medications and existing medications with emerging cost-effective treatment alternatives.

Timing of formulary change implementation is carefully planned to promote safe transitions for our members. Formulary changes are implemented in stages, to allow extra time for established members to work with providers to either change to an equivalent treatment alternative or submit a request for continued coverage. And, coverage requests are considered by clinical staff who partner directly with providers to understand the individual member needs for a specific medication, including all the treatments that the member tried previously.

Kaiser Permanente works to obtain the most favorable medication pricing and contract changes occur throughout the year. Continued use of non-contracted medications can increase member costs substantially. When members remain on less cost-effective alternatives, higher cost-shares have a direct impact to member premiums. As medication prices continue to increase overall, monthly commercial formulary reviews help provide timely access to the best value medications for our members.

Eliminating our ability to make formulary changes during a plan year means that our members would not receive the benefit of the latest body of research on clinical effectiveness or safety. Safety concerns are often identified by research published in peer reviewed journals one to two years before the U.S. Food and Drug Administration (FDA) issues an alert. We often take action to minimize adverse consequences to our members long before the FDA acts. A static formulary throughout the plan year would remove our ability to coordinate the best timing for specific formulary changes with our providers. Kaiser Permanente believes that drug formulary management must remain in the hands of physicians and medical professionals who practice evidence-based medicine.

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