

February 25, 2019

To: House Committee on Health Care

Re: **SUPPORT HB 2799** Out of Pocket Costs

Chairwoman Salinas and Members of the Health Care Committee,

The National MS Society appreciates the opportunity to share our support for HB 2799 which seeks to create some modest consumer protections for persons who depend on prescription medications for quality of life.

Multiple sclerosis (MS) is an unpredictable, often disabling disease of the central nervous system. MS interrupts the flow of information within the brain, and between the brain and body. Symptoms range from numbness and tingling to blindness and paralysis. While each individual with MS is impacted differently by the disease, a growing body of evidence indicates that early and ongoing treatment with a disease modifying therapy (DMT) is the best way to modify the course of the disease, prevent the accumulation of disability, and protect the brain. Ongoing access to these medications is essential for people with MS to be able to live their best lives.

The National Multiple Sclerosis Society believes that both innovation and affordable access are critical to ensure that people receive the medication and treatments they need. We have released a <u>comprehensive set of recommendations</u> aimed at making access to medications more affordable, simple, and transparent. The lack of transparency throughout the healthcare system, particularly concerning drug pricing, remains a barrier to stakeholders making good, informed choices and to all stakeholders having the same level of information so we can find the right solutions.

To best understand the increasing burdens of prescription drug costs please consider that:

- In 2004, the average wholesale price of available MS disease modifying therapies (DMT) was \$16,000. In 2013, the average price was \$61,000; in 2017, the average price of an MS DMT is \$83,688 (all average wholesale prices).
- In 2004, the cost of DMT accounted for about half of the direct medical costs for treating someone with MS; today it is nearly three-quarters of the cost of treating someone with MS.
- DMT prices in the United States are two to three times higher than in comparable countries

These cost challenges can cause delays in starting a medication or changing medications when a treatment is no longer working. Delays may result in new MS activity (risking disease progression without recovery) and cause even more stress and anxiety about the future for people already living with the complex challenges and unpredictability of MS.



Specifically related to costs, HB 2799 applies the following requirements to state-regulated individual and group 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
- Requires insurers to annually report changes made during the plan year to their formulary that would adversely impact consumers. These include moving a drug to a higher cost-sharing tier, removing a drug from the formulary or applying additional utilization management controls to a drug during the plan year.

While far from a panacea, HB 2799 is a great step on the road to understanding the high cost of prescription drugs. **The National MS Society urges your support for HB 2799** and the important consumer protections outlined within, which will ensure that all Oregonians are able to have affordable, predictable out-of-pocket costs for the treatments they need.

Thank you for your time and consideration.

Sincerely,

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