**Appropriations Committee**
**February 22 2013**
**American Cancer Society Cancer Action Network Testimony**

**H.B. No. 6350 AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2015, AND OTHER PROVISIONS RELATING TO REVENUE**.

**Re: Human Services - Department of Social Services**

The American Cancer Society Cancer Action Network (ACS CAN) is committed to ensuring that everyone has access to quality, affordable health care and Medicaid plays a key role. Today, too many people are uninsured or have insurance that is inadequate, leaving them to face difficult financial circumstances and even bankruptcy after a cancer diagnosis. ACS CAN has long supported efforts to keep state Medicaid programs strong because of their importance in providing the access to care necessary to fight cancer.

***Medicaid Tobacco Use Cessation Funding - SUPPORT***

ACS CAN is in support of the Governor's proposal to continue funding of comprehensive coverage of FDA approved tobacco use cessation benefits for Medicaid eligible clients at 2013 levels.

Smoking related diseases are the single most preventable cause of death in our society and it is estimated that 4,700 Connecticut residents will die from smoking related illnesses in 2013 alone. Currently, 17.1% of adults in Connecticut and 15.9% of high school aged kids smoke, spending on average $2025 per year on the habit. Connecticut incurs $1.63 billion in annual health care costs and another $1 billion in lost productivity directly caused by tobacco.

From a cost perspective, the need is critical. According to the Centers for Disease Control and Prevention, tobacco use costs Connecticut's Medicaid program alone $507 million per year. 30% of Connecticut Medicaid beneficiaries smoke, almost a 50% higher rate than the population as a whole. Providing tobacco users with access to these services can increase quit rates by up to 40%.

The Governor's proposal to continue funding of Medicaid coverage of cessation services allows the state to continue to take advantage of federal matching funds, reach a higher concentration of lower income smokers and ease the impact tobacco related illnesses have on the cost of the program.

***Expand Medicaid Eligibility Pursuant to the Affordable Care Act - SUPPORT***

A recent report from ACS CAN and Families USA found that Medicaid provides vitally important health care services in Connecticut to an estimated 6,880 residents with cancer. For them, Medicaid coverage is critical and many could not afford the care they need without it.

Medicaid helps make it possible for cancer patients to see a doctor when they need to, fill prescriptions, keep up with screenings, and get the care they need if their illness recurs. Medicaid enrollees are more likely than the uninsured to have a usual place of care and to receive recommended preventive screenings. On the other hand, lack of adequate insurance can mean treatment is delayed and costs are increased because later stage cancers are associated with more complex and expensive treatments. The uninsured are more likely to be diagnosed with a late stage cancer and less likely to survive the disease.

In addition to the health care access benefits, expanding the Medicaid population will help Connecticut significantly grow it's economy and more efficiently provide health care. Each federal health dollar is estimated to have an economic multiplier of 3.25—i.e., $1.00 of Medicaid funds translates into approximately $3.25 of economic activity. Health care workers and businesses take their payments and turn around and spend it on other goods in the economy like housing, grocery, and other consumer goods. Medicaid will provide comprehensive health coverage that addresses the overall healthcare needs of an individual in a more comprehensive manner than limited programs that attempt to address specific and relatively narrow health problems.

***Transition Certain Adults to the Health Insurance Exchange – OPPOSE***

Through changes to Medicaid enrollment eligibility as currently proposed in the Governor's 2014-2015 biennium budget, adult parents that earn between 133% -185% FPL will be removed from Medicaid and made eligible to receive federal subsidies to purchase health care plans through the exchange. However, estimates indicate that subsidies will not completely cover all costs and coverage will be unaffordable for many people. Additionally, currently under Medicaid, these enrollees do not have significant out of pocket expenses, which they would be exposed to through the exchange.

Increasing the out-of-pocket costs could have negative implications and unintended consequences on health outcomes. One of the biggest single issues for cancer patients is related to cost-sharing, because they have trouble meeting deductibles, paying their co-insurance for prescription drugs and treatment, and covering costs for physician visits and non-network specialty care.

Out-of-pocket costs for cancer patients vary substantially due to variations in both the cost of cancer treatments and drugs, and the adequacy of insurance plans. Given that 50% of health care costs are from 5% of the population - these are the individuals that need care the most. Raising the out-of-pocket costs will place undue economic burden on the people that need care the most. A cancer diagnosis can quickly translate to

bankruptcy for families and in the worst-case scenarios, the inability to access potentially lifesaving treatments and medications.

***A 2010 American Cancer Society Cancer Action Network poll of individuals under the age of 65 who have cancer or a history of cancer found that over the past 12 months, 34 percent delayed care because of the cost.***

This proposal will result in out of pocket costs passed on to patients, affecting their ability to get the care the need. This proposal could put people with serious health care needs at risk—at risk of not being able to get the care they need when they need it because they cannot afford the care, and at risk of incurring higher medical costs when they do get care.

***Implementation of Step Therapy under the Pharmacy Program - OPPOSE***
When a patient is prescribed an expensive or risky, branded drug, a payer may determine that the patient will not be allowed coverage on that drug until other, less expensive or less risky protocols have been tried, first. If it works well for the patient, then no more steps are needed. However, if the patient does not have the desired outcomes with the first drug, then a second drug, the next least expensive or risky drug in the same class, will be tried until the patient takes a drug that is effective and costs the least amount of money.

The rationale behind this "step therapy" is that it enables patients to receive medications in a cost effective manner, while reducing waste, error and unnecessary drug use. However, this can lead to delays in proper treatment as well as unnecessary discomfort to the patients themselves and potential increased costs in the form of unplanned emergency room, doctor visits or other health complications.

Two years ago, the Legislature approved a prohibition against the practice of step therapy for pain medications. This year, ACS CAN is supporting legislation that would expand this prohibition to include all therapeutic areas, not just pain management (SB 857 – AAC The Use Of Step Therapy For And Off-Label Prescribing Of Prescription Drugs).

We are supportive of prohibitions to Step Therapy because we view the physician-patient decision-making process as a critical component of proper care and prefer to avoid policies that may not be in the patient's best interest in that regard.

Connecticut faces a very real and very serious budget deficit. This fiscal emergency will need to be addressed through painful and necessary solutions and all options need to be on the table. As we continue to feel the impact of this economic downturn, it is important that we look for creative ways to utilize our resources that will allow us to protect access to the full range of health care.

*The American Cancer Society Cancer Action Network (ACS CAN), the nonprofit,*

*nonpartisan advocacy affiliate of the American Cancer Society, supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. ACS CAN works to encourage elected officials and candidates to make cancer a top national priority. ACS CAN gives ordinary people extraordinary power to fight cancer with the training and tools they need to make their voices heard.*