



*Quality is Our Bottom Line*

**Insurance Committee Public Hearing  
Tuesday, February 18, 2014**

**Connecticut Association of Health Plans  
Testimony Submitted in Opposition to**

**SB 7 AAC THE USE OF STEP THERAPY FOR AND OFF-LABEL PRESCRIBING OF  
PRESCRIPTION DRUGS**

The Connecticut Association of Health Plans respectfully urges the Committee's opposition to SB 7 AAC The Use of Step Therapy For And Off-Label Prescribing of Prescription Drugs which would seriously compromise the efforts of health plans to contain costs and use practices designed to ensure cost-efficient and effective prescription drug use.

*SB 7* would prohibit carriers from requiring that members try a less costly prescription drug "more than once" before covering another brand name prescription if the first drug previously failed for the member. The mandate is overly broad and does not address the reason for failure, the period applied or whether it's even related to the same condition. Carriers use step therapy (requiring the use and failure of one drug before another drug may be covered) because some drugs are very expensive, and yet they have no better clinical track record for outcomes than less expensive medications (brand, generic or over the counter). When no clinical advantage is apparent, cost considerations often warrant moving members and providers to use the more cost-effective drug. It's important to note within the context of the bill, that drugs are used for more than one purpose, and when that's the case, the pharmacist does not know if a particular drug is being prescribed for one purpose over another and the member doesn't know whether that drug will be a success for the same or a different condition at a future point in time. Furthermore, there are practical and mitigating considerations. Unless the member has been with a particular health plan throughout their life, a carrier really has no way of knowing for certain which and what pharmaceuticals might have been tried in the past.

This law would drive up health care costs with no improvement in clinical outcomes and frankly, it contradicts not only the goals of the Affordable Care Act (ACA) which seek to find the least costly effective treatments and encourage their use whenever possible but, it also runs contrary to efforts currently underway by the state itself to control escalating prescription drug costs via the State Employee Plan and the Exchange. Without a formulary, pharmaceutical sales and marketing practices could play too large a role in prescription choices. Formularies are critical if we are serious about controlling health care costs.

Please keep in mind also that passage of SB 7 would *only* apply to the approximately 35% of Connecticut residents that are covered by fully insured health plans - typically your small employers who are the most price sensitive. The bill would *not* apply to 65% of Connecticut residents who are self-insured and thereby subject to federal ERISA requirements rather than state law. Passage of SB 7 would have a detrimental effect on the Health Care Exchange which needs provisions like step-therapy to help keep premiums affordable.

In addition, there is a serious question as to whether SB 7 would fall under the ACA mandate provisions thereby adding to the state's future financial obligations. In the context of other mandates considered, the Department of Insurance has clearly stated that:

*In simple terms, all mandated coverage beyond the required essential benefits (as will be determined by HHS) will be at the State's expense. Those costs may not be delegated to the individual purchaser of insurance or the insurer.*

The Association of Health Plans strongly urges rejection of SB 7.