Quality is Our Bottom Line

Insurance Committee Public Hearing

Thursday, February 27, 2014

Connecticut Association of Health Plans

Testimony in Opposition to

S.B. 186 AAC DISPENSATION AND INSURANCE COVERAGE OF A PRESCRIBED DRUG DURING REVIEW OF AN ADVERSE DETERMINATION OR A FINAL ADVERSE DETERMINATION

The Connecticut Association of Health Plans urges rejection of SB 186 which would require upon a denial and subsequent appeal for prescription drugs that health plans be required to provide immediate electronic authorization and payment to the covered person's pharmacy for such drug for the duration of any such grievance or review. Consider the implications for safety if, in fact, this provision were implemented relative to controlled substances. A person would be guaranteed access to, and payment for, oxycontin provided they present with a script. The same would be true if a drug were denied because of a potential drug interaction or other clinical reason. Coverage for drugs considered to be experimental would also be required if this bill were to pass.

Pharmacy continues to be one of the single largest drivers of health insurance cost in Connecticut. On average, prices increase between 15% to 20% a year.

The reasons for such increases are varied. The number of overall prescriptions issued has increased dramatically in recent years as new products come on line faster as a result of quicker FDA approval and, as always, consumer demand continues to escalate. Aggressive marketing of various pharmaceuticals adds appreciable demand that will only increase as the baby boomer generation continues to grow older

Insurers often use step therapy (requiring the use and failure of one drug before another drug may be covered) as one means to control ever increasing pharmacy costs. Some drugs are prohibitively expensive, and yet they have no better clinical track record for outcomes than less expensive medications (brand or generic). When no clinical advantage is apparent, cost considerations often warrant moving members and providers to use the more cost-effective drug. SB 186 has the potential to seriously undermine the cost savings that step therapy provides. Once a member begins a certain course of treatment, it becomes even more difficult to transition them to another drug.

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Not only would this provision add enormous cost to the pharmacy benefits which employers, insurers and, frankly the State, are trying mightily to control, but it would also give rise to serious safety concerns. We urge your rejection of SB 186.

Thank you for your consideration.