



NEW ENGLAND REGION

serving Connecticut, Maine, Massachusetts, New Hampshire Rhode Island & Vermont

35 Cold Spring Road, Suite 411
Rocky Hill, CT 06067-3166
TELEPHONE: (860) 563-1177
TOLL-FREE: (800) 541-8350
FAX: (860) 563-6018
EMAIL: infosne@arthritis.org

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The Honorable Joseph J. Crisco and Robert W. Megna, Co-Chairs, and Members
Insurance and Real Estate Committee
Room 2800, Legislative Office Building
Hartford, CT 06106

Committee Bill #25: An Act Concerning Out-of-Pocket Expenses for Prescription Drugs

Written Testimony

Senators Crisco, Representative Megna and Members of the Insurance and Real Estate Committee

I am Susan Nesci, Vice President for Advocacy for the Arthritis Foundation in New England. The Arthritis Foundation support the limits on out-of-pocket spending by consumers for medication by placing spending caps on monthly out-of-pocket costs as proposed in this bill.

The use of biologics has revolutionized the treatment of rheumatoid arthritis because they stop the joint destruction that can lead to permanent disability. They also can induce temporary or permanent remission of disease symptoms in two-thirds of people using these medications.

What has happened is that insurers have shifted costs for expensive specialty medications, such as the biologics used to treat rheumatoid arthritis, from the plan to the consumer. Insurers have used benefit designs that include placing some or all these expensive medications on the highest tier with the highest co-pay or co-insurance. Biologic medications used to treat rheumatoid arthritis, for example, can range from \$15,000-50,000 or more. Co-insurance or a percentage of the total cost of the medication that the consumer must pay can range from 25-50%. Higher levels of cost sharing are associated with higher rates of non-adherence. Studies suggest that when monthly out-of-pocket costs exceed \$150-200, rates of therapy abandonment double.¹

Compounding the issue is high deductible plans where consumers must first meet the deductible before getting access to the medication. Two weeks ago, I shared with the committee the story of Laura from Cromwell, a young lady with rheumatoid arthritis working two jobs and facing a \$6,000 bill that had to be paid all at once on a high deductible plan.

This bill would help increase access to these specialty medications by:

- 1) Cap monthly out-of-pocket costs at \$100 for a thirty day supply. Numerous studies support that a cap in this range increase access to and use of these medications. Our state's Health Insurance Exchange has just set designs for 2016 plans, which recognize the importance of caps for tier 4 medications. The Platinum, Gold and Silver Plans include caps in the \$100-150 range.

- 2) Apply the cap pre-deductible to insure immediate access to the medication.
- 3) Prohibit placing all the medications in a category in the highest cost-sharing tier.

Thank you for your consideration of this bill.

¹Gleason OO, Starner CI, Gunderson BW, et al.: Association of prescription abandonment with cost share for high-cost specialty pharmacy medications. J Manag Care Pharm. 2009; 15: 648-58.