

S-1834

Brief Description:

Requires fully insured individual and group health insurance plans including the State Health Benefits and State Employees Plans to cover oral cancer drugs and related support drugs on the same basis as intravenous cancer medications and related support drugs.

Background:

Under most policies the "patient administered" (i.e. Oral medications) must be obtained through the members pharmacy benefit while "physician administered" (i.e. IV Infusion drugs) must be obtained through a physician. Generally the medical benefit is not integrated with the pharmacy benefit and members may find coverage under one benefit design is better than the other.

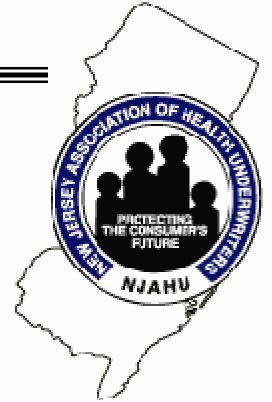
For instance the member cost for an IV infusion drug may be zero because they have already met their MOOP, but their pharmacy benefit may require a \$75 co-pay for a month's supply of an oral oncology drug. The reverse may occur when the member finds a 10% coinsurance applied to their medical, but the member may have a \$25 pharmacy co-pay. Insurers now frequently find themselves at a crossroad where comparable or competing medication treatments are coming from different health care delivery channels, but the benefit plans lack the ability to make member costs equal across the board.

Sponsored by: Senators Loretta Weinberg (D-Bergen) and Nia Gill (D-Essex and Passaic).

Co-Sponsored by: Senators Buono and Cardinale

Reasons to Support:

- The whole purpose of Insurance is to provide financial protection against unforeseeable events. The decision to use IV or Oral Chemo is a decision that should be a clinical decision between the patient and their Physician not a financial decision. We would suggest a different approach to removing the financial barriers to proper care than what has been proposed in this bill.



Legislative Briefing

- The 50% drug cards are particularly problematic with regard to this Oral Chemotherapy issue. The maximum patient liability limits on monthly out of pocket per medication that some of the carriers offer on their 50% cards is a great solution.

Reasons to Oppose:

- Will increase healthcare costs at a time when many employers and employees are struggling to afford their insurance premiums
- The effect is citizens dropping coverage entirely.
- Will increase healthcare costs for all and not necessarily help oral chemotherapy recipients based on the way that most NJ employer-based insurance plans are structured. However, a separate out of pocket maximum for specialty pharmacy (oral chemotherapy) should be considered as well as a 50% coinsurance card cap.

NJAHU Position:

Conditional support – if the focus is moved to putting reasonable limits on member's out of pocket exposure. We also strongly urge the legislature to help to determine the economic impact of the bill by submitting the bill to the Mandate Committee for review before passage.

Status

9/19/2011 Referred to Senate Budget and Appropriations Committee
10/13/2011 For Preliminary Committee Action - to be Reported
Preliminary to be Reported

NJAHU 11-17-2011