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## Tennessee Cancer Treatment Fairness Act

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September 9th, 2017

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## Financial Disclosures

- I currently do not have any relevant financial relations to disclose

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## Objectives

- Define oral parity in terms of cancer treatment
- Discuss the importance of legislature regarding oral parity
- Explain the progress toward enacting oral parity in Tennessee
- Discuss the obstacles facing successful implementation of oral parity laws.

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## Oral Parity for Chemotherapy

- Oral Parity = means to equal access for all chemotherapy medications and treatments.
- Presently, health plans divide medications based on route of administration
  - Medical Benefit - IV/injectable medications administered by healthcare providers
  - Pharmacy Benefit - Oral medications self administered by patient
- Costs transferred to the patient are thus drastically different depending on the route of their treatment.
  - IV: patients have office visit co-pay
  - Oral: patients have a 25-30% coinsurance

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<p><b>Patient A</b></p>  <ul style="list-style-type: none"> <li>• Recommended therapy: <b>oral</b></li> <li>• Private insurance: Pharmacy Benefit</li> <li>• Total cost of Drug A: \$10,000/month</li> <li>• Administered at home, no office visits</li> <li>• Out of pocket: 33% Co-insurance under pharmacy benefit = \$3,333</li> </ul>	<p><b>Patient B</b></p>  <ul style="list-style-type: none"> <li>• Recommended therapy: <b>IV</b></li> <li>• Private insurance: Medical Benefit</li> <li>• Total cost of Drug A: \$9,000/month</li> <li>• Administered at infusion clinic, added costs for administration</li> <li>• Out of pocket cost: Office co-pay of \$100, no additional costs</li> </ul>
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Recently approved oncology treatments have an average cost of ~\$10,000 a month. IMS Institute for Health Informatics. Innovation in Cancer Care and Implications for Health Systems: Global Oncology Trend Report: May 2014. Available at [http://www.oncology.com/imshealth/content/IMSH\\_Oncology\\_Trend\\_Report\\_020514F4\\_screen.pdf](http://www.oncology.com/imshealth/content/IMSH_Oncology_Trend_Report_020514F4_screen.pdf)

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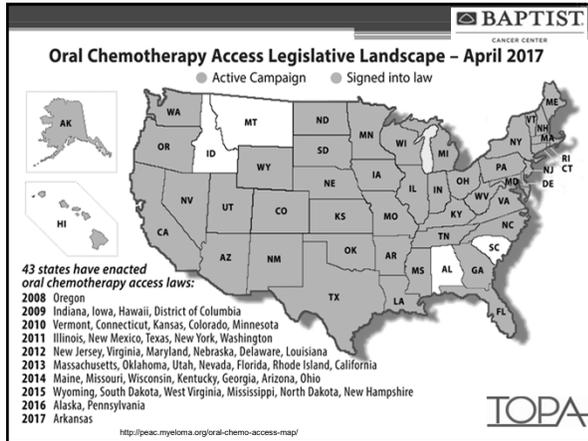
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## Oral Parity for Chemotherapy

- Impacts patient adherence and influences treatment decisions.
- Campaigning nationwide since 2008
  - Presently 43 states have enacted parity laws, 3 additional states presently have active campaigns
- Work being done at the federal level as well
  - State law only impacts certain commercial plans
  - Federal legislation necessary to extend to federally-regulated commercial plans

[http://speac.myloma.org/wp-content/uploads/2014/08/OralOncologyParityOnePageFactSheet\\_August2014.pdf](http://speac.myloma.org/wp-content/uploads/2014/08/OralOncologyParityOnePageFactSheet_August2014.pdf)

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### Importance of Oral Parity

- Innovation in treatment progressing toward oral therapies
- Treatment should be evidence based not cost based
- Elevated out of pocket costs linked to “treatment abandonment”
  - Poor adherence leads to poor outcomes
- Focus needs to be on identifying the right therapy, for the right patient, at the right time

<https://www.specialtypharmacytimes.com/publications/specialty-pharmacy-times/2013/may-june-2013/Current-Oncology-Pipeline-Trends>  
<http://www.communityoncology.org/site/blog/detail/2012/07/31/10-of-cancerpatients-abandon-oral-anti-cancer-drugs.html>  
<http://peac.myloma.org/wp-content/uploads/2013/08/Abandonment-of-Oral-Oncologic.pdf>

### Scope of Oral Parity Laws

- Applicable to state-regulated and “Marketplace” plans, as well as some state facilitated health plans
  - Call for equal cost sharing for IV/infused and oral therapies
  - Do not mandate addition of coverage for oral therapies
- State laws do not extend to Medicare or health plans covered through the federal ERISA law (large, multi-state plans).

### Tennessee Oral Parity

- HB1059/SB922 -  
 “Insurance, Health, Accident - As introduced, prohibits an insurance policy that provides benefits for anti-cancer medications that are injected or intravenously administered by a healthcare provider and anti-cancer medications that are patient administered from requiring a higher copayment, deductible, or coinsurance amount for the patient administered anti-cancer medication than for the injected or intravenously administered anti-cancer medication. - Amends TCA Title 56, Chapter 7, Part 23.”
- Advocating for two years, continuing with the 2018 session

<http://wapp.capitol.tn.gov/apps/BillInfo/Default.aspx?BillNumber=HB1059>

### Tennessee Oral Parity 2017

- Initially heard in House Insurance and Banking subcommittee - 3/8/2017
  - Passed by margin of 6 to 4
  - Much opposition, lobbying play large role in first step
- Heard by full Insurance and Banking committee - 4/4/2017
  - Amendment added to bill  
Transparency by manufacturers for price increases
  - Passed 16 to 2
  - Will be heard by Calendar and Rules Committee next session.
- Initially heard in the Senate Commerce and Labor Committee - 3/28/2017
  - Hearing was deferred until the following week
  - Decision made to postpone until first session of 2018

### Tennessee Oral Parity: Obstacles to Implementation

- Opposition to bill primarily from insurance sector
  - “Mandate on insurers”
  - “Will result in increased insurance premiums”
- Lack of knowledge/awareness of cancer care
  - “Oral therapy is more costly than IV therapy”
  - “Oral therapy is a convenience not a necessity”
- Patient’s already have multiple avenues of assistance
- Pharmaceutical companies are the responsible party

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## Tennessee Oral Parity: Obstacles to Implementation

- Bill is a mandate on insurers
  - Does not force health plans to cover any new services
  - Only impact those plans that currently list anticancer treatments as a benefit
- Significant increase in premiums
  - First legislature enacted nearly 10 years ago (2008 in Oregon); 20 other states for 5 years or more
  - Studies conducted by the state insurance departments in Indiana, Texas, Washington state, Oregon and Vermont found that implementation of these laws increased health insurance premiums only nominally

[http://speac.myeloma.org/wp-content/uploads/2014/10/FINAL-State-Fiscal-Impact-Mandate-Statements-Summary-Table\\_10.1.14.pdf](http://speac.myeloma.org/wp-content/uploads/2014/10/FINAL-State-Fiscal-Impact-Mandate-Statements-Summary-Table_10.1.14.pdf)

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## Tennessee Oral Parity: Obstacles to Implementation

- Oral Chemotherapy is more costly than IV therapy.
  - Some oral anticancer drugs are less expensive to the insurer than an IV or injected therapy.
  - IV therapies involve additional costs, such as facilities charges, the nurse's or physician's time and the supplies used to administer the drug.
  - Overall healthcare costs can be higher if there are complications from administering an IV therapy, such as having to treat a patient for an infection at the site of administration.

[http://speac.myeloma.org/wp-content/uploads/2014/10/Oral-Oncology-Parity-Myths\\_FINAL.pdf](http://speac.myeloma.org/wp-content/uploads/2014/10/Oral-Oncology-Parity-Myths_FINAL.pdf)

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## Tennessee Oral Parity: Obstacles to Implementation

- Oral chemotherapy is a convenience not a necessity
  - Medical necessity determines a patient's treatment
  - Nearly all of the oral anticancer drugs currently in use do not have an IV or generic equivalent
  - Many oral agents are specifically indicated as the first and most effective treatment for a range of cancers

[http://speac.myeloma.org/wp-content/uploads/2014/10/Oral-Oncology-Parity-Myths\\_FINAL.pdf](http://speac.myeloma.org/wp-content/uploads/2014/10/Oral-Oncology-Parity-Myths_FINAL.pdf)

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## Tennessee Oral Parity: Obstacles to Implementation

- Patient's already have multiple avenues of assistance
  - Co-pay cards, foundations, and other assistance do currently exist, but are more a band aid than a cure
  - Foundations have limited funds to distribute to patients
  - Co pay assistance have specific eligibility requirements and yearly coverage caps.

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## Next Steps

- Best Practices Advocacy Workshop
  - Thursday October 5<sup>th</sup>
  - Boot Camp
- Preparation for upcoming 2018 legislative sessions
  - Contact your local Representatives and Senators to urge their support for oral parity (<http://www.capitol.tn.gov>)
  - Discuss with your physicians and patients
  - Attend hearings in Nashville

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## Tennessee Cancer Treatment Fairness Coalition

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