

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2471 Session of 2014

INTRODUCED BY BAKER, BENNINGHOFF, CAUSER, HEFFLEY, MURT, KNOWLES, V. BROWN, DAVIS, BOBACK, LONGIETTI, McCARTER, KOTIK, D. COSTA, MILLARD, KILLION, WATSON, EVERETT, CUTLER, BARRAR, GIBBONS, HARHART, DIGIROLAMO, ROCK, COHEN, DONATUCCI, SCHLOSSBERG, KAUFFMAN, PICKETT, MATZIE, CLYMER AND PETRI, SEPTEMBER 15, 2014

REFERRED TO COMMITTEE ON HEALTH, SEPTEMBER 15, 2014

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An  
2 act relating to insurance; amending, revising, and  
3 consolidating the law providing for the incorporation of  
4 insurance companies, and the regulation, supervision, and  
5 protection of home and foreign insurance companies, Lloyds  
6 associations, reciprocal and inter-insurance exchanges, and  
7 fire insurance rating bureaus, and the regulation and  
8 supervision of insurance carried by such companies,  
9 associations, and exchanges, including insurance carried by  
10 the State Workmen's Insurance Fund; providing penalties; and  
11 repealing existing laws," in casualty insurance, providing  
12 for pharmaceutical coverage for oral anticancer medications.

13 The General Assembly finds and declares as follows:

14 (1) Cancer treatment through chemotherapy has changed  
15 over time. Traditional anticancer medications are primarily  
16 administered intravenously. Intravenous chemotherapy tends to  
17 attack both cancerous and healthy cells alike.

18 (2) More recently, there has been an increase in the  
19 development of orally administered anticancer medications  
20 that target only cancer cells and have fewer side effects  
21 than intravenous chemotherapy. Orally administered anticancer

1 medications are also more convenient for patients and their  
2 caregivers and often allow patients to reenter the work force  
3 with minimal time lost for cancer care.

4 (3) Improvements in cancer treatment are contributing to  
5 increased survival rates across all forms of cancer and  
6 decreased side effects and allow patients to continue to  
7 participate in most life activities.

8 (4) Research has found that more than 25% of all  
9 anticancer agents currently in development are planned as  
10 oral medications. In early trials many of these new oral  
11 medications have shown significant clinical advantages over  
12 traditional intravenous and injected forms of cancer  
13 medications.

14 (5) Intravenous anticancer medications are typically  
15 covered under a health plan's medical benefit, often  
16 requiring patients to pay a minimal, fixed copayment or pay  
17 no cost for the medication.

18 (6) Orally administered anticancer medications are  
19 covered under a health plan's pharmacy benefit. Under the  
20 pharmacy benefit, orally administered anticancer medications  
21 are placed on the highest (specialty) tier of a health plan's  
22 cost-sharing system.

23 (7) Typically, patients who receive orally administered  
24 anticancer medications must pay coinsurance rates of 20% to  
25 30% and, at times, rates as high as 50% in a specialty tier,  
26 resulting in extremely high and unmanageable out-of-pocket  
27 costs. These costs create an enormous barrier for patients to  
28 access orally administered anticancer medications prescribed  
29 for their treatment.

30 (8) Increases in out-of-pocket costs of orally

1 administered anticancer medications are associated with a  
2 corresponding decrease in adherence to treatment, further  
3 risking patient health and making treatment longer, more  
4 expensive and less effective.

5 (9) It is estimated that 10% of cancer patients fail to  
6 fill their initial prescriptions for orally administered  
7 anticancer medications due to high out-of-pocket costs, and  
8 25% of cancer patients delay initiating an alternative  
9 treatment. Further, research demonstrates that patients  
10 reduce their recommended doses of orally administered  
11 anticancer medications to avoid paying for medication  
12 refills. These behaviors negatively impact the effectiveness  
13 of orally administered anticancer medications.

14 (10) The disparity in out-of-pocket costs negatively  
15 impacts patient adherence to their medication regimens and  
16 forces physicians to make decisions based on health plan  
17 benefit design rather than the most effective treatment for a  
18 patient.

19 (11) An increasing number of cancer patients are  
20 reporting that they cannot afford the out-of-pocket cost for  
21 orally administered anticancer medication, yet need the  
22 medication as part of their prescribed treatment.

23 (12) For many cancer patients, no intravenous  
24 chemotherapy substitute exists for their prescribed oral  
25 anticancer medication.

26 The General Assembly of the Commonwealth of Pennsylvania  
27 hereby enacts as follows:

28 Section 1. The act of May 17, 1921 (P.L.682, No.284), known  
29 as The Insurance Company Law of 1921, is amended by adding a  
30 section to read:

Section 631.1. Pharmaceutical Coverage for Oral Anticancer Medications.--(a) Whenever an individual or group health, sickness or accident insurance policy or subscriber contract or certificate issued by any entity subject to 40 Pa.C.S. Ch. 61 (relating to hospital plan corporations) or 63 (relating to professional health services plan corporations) or this act provides pharmaceutical coverage that includes coverage for cancer chemotherapy or anticancer medications which have been approved by the United States Food and Drug Administration for general use in the treatment of cancer, the policy shall not place orally administered anticancer medications on a specialty tier or charge a coinsurance payment for orally administered anticancer medications. The prohibition of coinsurance payments applies to charging a percentage of the cost of the medication or a flat-fee cost that is specific to anticancer medication, but does not include charging the minimal copayment that is usual for covered prescription medications not on a specialty tier.

(b) Nothing in this section shall serve to diminish the benefits of any insured or subscriber in effect on the effective date of this section, nor prevent the offering or acceptance of benefits which exceed the minimum benefits required by this section.

(c) This section shall apply to those insurance policies, subscriber contracts or certificates issued or entered into or renewed on or after the effective date of this section.

(d) As used in this section:

"Anticancer medication" means a drug or biologic that is used to kill, slow or prevent the growth of cancerous cells.

"Specialty tier" means a formulary category for a

prescription drug that meets one or more of the following  
criteria:

(1) A high-cost medication that is used to treat and is  
prescribed for a person with a complex, chronic or rare medical  
condition.

(2) The drug is not typically available at community retail  
pharmacies.

(3) The drug requires special handling, storage or has  
distribution or inventory limitations.

(4) The drug has a complex dosing regimen or requires  
special administration.

(5) The drug is considered to have limited distribution by  
the United States Food and Drug Administration.

(6) The drug requires complex and extended patient education  
or counseling, intensive monitoring or clinical oversight.

(7) The drug has significant side effects or risk profile.

Section 2. This act shall take effect immediately.