

Good morning colleagues and thank you Chairmen Godshall and Caltagirone for putting HB 2113 on the agenda this morning.

I am here today in support of House Bill 2113 “Honor the Contract” which I introduced for two main reasons:

- 1) Protect consumers/patients, and
- 2) Ensure that health insurance businesses “honor the contract” they sell to Pennsylvanians.

This legislation is a common sense proposal built on a simple concept: If a Pennsylvanian consumer purchases a commercial health plan and relies on that coverage for a treatment or service, then the commercial health plan should not be able to reduce or remove that coverage for the duration of the policy. In other words, if individuals or families are locked into a health plan until open enrollment, then that plan shouldn't change.

The reliability of coverage when we need it is why we sign up for insurance in the first place. HB2113 addresses this consumer protection.

HB 2113 would require insurers and their Pharmacy Benefit Managers (PBMs) to honor the contracts they have with patients during the contract year. This means that after the insurance company and their PBMs design a benefit plan, advertise that plan to consumers, and consumers enter into contracts with them by signing onto their benefit plan, the consumer cannot have medical services or products taken away from them once they are consuming them. My bill covers both the physical and prescription drug benefits for consumers.

Most Pennsylvanians are surprised to find that their health plan can change its benefits at any time during the policy year, even though the consumer may have carefully researched their plan to ensure that it met their family's health and financial needs – and even though consumers are locked into their policy until the next open enrollment period. This unfair scenario is especially true for those living with chronic health conditions such as epilepsy, diabetes, hemophilia or mental health diagnoses, who rely on continuous and consistent treatment plans to manage their health.

I introduced HB 2113 on behalf of patients and provider groups which have communicated their support for the bill. I modeled HB 2113 after the American Medical Association's Prior Authorization and Utilization Management Principle #5, which covers both physical health and pharmaceutical contract terms. I chose #5 because it was a simple and fair contracting issue requiring the honoring of contracts with patients, throughout the plan year. This bill is just that – simple in its terms and written to promote fair insurer practices.

There have been some concerns raised with this bill that I would like to address at this time. I think the easiest way to alleviate these concerns is to share what the bill does NOT do.

- HB 2113 is not an insurance mandate. The bill does not require anything of insurers or PBMs, but to honor the contract they designed and sold in the marketplace to patients.
- HB 2113 does not prohibit generic substitution of prescription drugs.

- HB 2113 does not stop insurers and their PBMs from changing medical services or prescription drug formularies as long as the patient isn't already consuming it.
- HB 2113 does not stop insurers and their PBMs from removing an unsafe treatment or service from coverage, as deemed by the FDA.

I have also been asked why the Consumer Affairs Committee and not some other committee. But that's all this bill addresses – a consumer fairness issue. The intent of HB 2113 goes well beyond health care, or insurance, to require the honoring of contracts of businesses doing work in this Commonwealth.

The patient and provider panel providing testimony to you this morning will be able to paint a clear picture of the negative impact that unfair health coverage changes have here in Pennsylvania.

I would be happy to answer any questions you may have at this time.