



Oral Chemotherapy Parity

1. What is Oral Chemotherapy Parity and why is it important to cancer patients in Michigan?

Oral chemotherapies, which work by targeting and attacking only cancer cells, are often the best – and many times the only – treatments available for cancer patients. Many of the emerging and most effective cancer therapies are available only in pill form. The costs for oral chemotherapies are often astronomical, making them difficult for many patients to afford.

Up until now, the majority of frontline cancer chemotherapy treatments have been administered to patients primarily through an IV while in the physicians' office. Oral cancer chemotherapy drugs represent an exciting new development in frontline cancer therapy and these drugs are showing remarkable promise at targeting the tumor with limited side effects. As such, they are a critical treatment option for many cancer patients. Unlike intravenous chemotherapy which requires an appointment and time away from work and home to receive the treatment, oral chemo does not - and allows for patients and their caregivers to have less disruption in their daily life-not taking time off work and using up vacation and sick time. This is especially important for patients and caregivers that may have to travel far to receive their treatment.

Today, oral chemotherapies comprise about 10% of available chemotherapies. It is estimated that 25-35% of the medications in the oncology development pipeline are oral therapies. Twenty-four oral agents are currently in Phase III clinical trials, offering hope to patients fighting such cancers as prostate, brain, breast, lung, pancreatic, ovarian, gastric, bone, multiple myeloma, lymphoma, and leukemia. This research and development will result in an increased number of options for patients, but antiquated health insurance benefit designs can create burdens for patients seeking access to the lifesaving medications.

Published studies reveal that many cancer patients receiving traditional IV chemotherapy and/or radiotherapy cannot continue to work full-time and spend an additional 4.5 hours, per visit, treating side effects. For some women, the diagnosis of breast cancer can impose an economic hardship because they often need to take a leave of absence from work, especially during chemotherapy treatment. In one study released in 2011, 33% of breast cancer survivors who stopped working during chemotherapy faced long-term unemployment for several years after their diagnosis.

Access to effective, medically-appropriate oral chemo medications will not only benefit the health of patients, they will also assist in ensuring their immediate and long-term financial stability.

¹Henry DH, Viswanathan HN, Elkin EP, et al. Symptoms and treatment burden associated with cancer treatment: results from a cross-sectional national survey in the U.S. Support Care Center. 2008;16:791-801. Epub 2008 Jan 17.

²"Breast Cancer Survivors Vulnerable to Long-Term Work Loss". OncLive. August 2011.



THE OFFICIAL SPONSOR OF BIRTHDAYS.®





2. What is the difference in coverage between oral and intravenous/injected cancer drugs?

IV medications are typically covered under a health plan's medical benefit. In this situation, patients are usually required to pay an office visit co-payment and are not required to pay a separate fee for the drug. Orally-administered chemo, however, is typically covered under a health plan's pharmacy benefit. Under the pharmacy benefit, oral chemo medications are often classified in the highest tier of a health plan's cost-sharing system requiring patients to pay higher co-payments, which can sometimes be a percentage of the drug's cost (e.g. 20-40% of total cost—potentially resulting in thousands of dollars in out-of-pocket costs each month). This disparity restricts patient access to life-saving oral cancer therapies. Imagine not being able to take the treatment needed to save your life because you cannot afford it.

3. Does oral chemo cost more than IV chemo?

While some oral therapies may be priced higher than infused therapies, this is often not the case. In addition, consideration of the overall cost of therapies must be included. For example, in addition to the cost of the infused drug itself, health plans must also reimburse providers for costs associated with the drug's administration (nursing/physician services, hydration, other ancillary drugs, equipment expenses)—all of which increases the overall treatment cost by hundreds of dollars for each administration of the infused therapy. These costs are not present with oral medications. Comparing only the cost of the drugs alone represents only one portion of the overall cost question.

4. Isn't this legislation a mandate on health plans?

No. Senate Bills 540-541 and HB 5132-5133 do not mandate coverage of oral or IV chemotherapy or require health plans to have a pharmacy benefit. What they require is that when an individual contracts with a health plan to provide services and "chemotherapy" treatments are listed as a covered service, that IV and oral chemo be covered in the same manner. These bills do not mandate coverage, they simply establish parity in patients' out of pocket costs and ensure that patients have real access to the medications deemed most appropriate by their physician. It is crucial that patients have access to the

FDA-approved, most effective, physician-recommended therapy—regardless of how it is administered. As more oral therapies become available to patients—resulting in convenient, noninvasive alternatives to traditional infused therapies—health plan benefit designs must recognize this development.

5. Will this raise insurance premiums?

There is no evidence that this legislation has increased health insurance premiums in states with laws in effect. As a matter of fact, a pre-implementation study (conducted by Vermont's Department of Banking, Insurance, Securities and Health Care Administration) found that the states which had passed the laws reported, at most, a "negligible" impact on insurance rates. Similarly, a state-conducted survey of insurers "provided no indication of significant rate increases as a result of the legislation." In addition, both the Oregon Department of Consumer & Business Services and the Indiana Department of Insurance have stated that there is no evidence that implementation of the states' oral chemo access laws has increased health insurance premiums.

6. Has this legislation passed in other states?

State legislatures made up of diverse viewpoints have passed legislation that helps make oral chemo more affordable and accessible. Nineteen states including New York, Colorado, Hawaii, Indiana, Iowa, Kansas, Minnesota, Oregon, Texas, Vermont, Connecticut, Illinois, New Mexico, Washington, New Jersey, the District of Columbia and recently Virginia, Maryland, Delaware, and Nebraska have passed oral chemotherapy parity laws.

Access to oral chemotherapy drugs has become more important to cancer treatment as science evolves. As oral chemotherapy drugs become more prevalent and are prescribed more often, the American Cancer Society believes there should be parity in the coverage of these so that cancer patients may be equally able to access or afford them as they can with traditional IV chemotherapy. That is why the American Cancer Society is supporting SB 540-541 and HB 5132-5133 to ensure cancer patients in Michigan have equal access to the best care needed to fight their disease.