

Oral Chemo Parity



The Issue

Oral cancer chemotherapy drugs represent an exciting new development in frontline cancer therapy. For most cancer patients who need oral chemo, there is no IV alternative and the drug they need only comes in a pill form. Unfortunately, the costs for these oral chemotherapies are often astronomical, making them difficult for many patients to afford. As science evolves and treatments get better, oral chemotherapy drugs are becoming more prevalent and are prescribed more often. Health Plans must keep pace with changes in cancer treatments as oral chemotherapy becomes the cancer treatment of the future.

The Problem

Because oral chemo drugs exist in pill form, they are typically covered under a health plan's pharmacy benefit, and not under the health plan's medical benefit, as is the case with IV chemo. This results in a significant difference in cost due to the fact that 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 between oral and IV drug delivery can restrict a patient's access to life-saving oral cancer therapies. Even though the oral chemo option may be the best option for the patient, the higher cost of pills compared to IV is an unfair disparity that is preventing us from saving more lives.

The Solution

Legislation supported by the American Cancer Society is being considered in Michigan to require that oral chemo be covered in the same manner as IV chemo. Senate Bills 540 and 541 passed the Senate unanimously in December and are currently being debated in the House Health Policy Committee along with House Bills 5132 and 5133, which are nearly identical to the senate bills. Both the House and Senate bills do not mandate coverage of oral or IV chemotherapy or require health plans to have a pharmacy benefit. What they do is require 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 get the medications deemed most appropriate by their physician.

Improvements in cancer treatment should not be hampered by out-dated health insurance practices and coverage must keep pace with modern medical treatments. 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.



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The Financial Impact on the State, the Patient, and Insurance Plans from Oral Chemo Parity Legislation:

Not only do oral chemo drugs show remarkable promise at targeting tumors with greater efficiency, they generally produce less side-effects, reducing the need for additional patient visits and supplemental drugs. And, because IV therapies require additional treatment costs of equipment/facilities, health professionals, and other ancillary drugs etc., oral therapies can save patients and health plans time and money. There is no evidence that this legislation has increased health insurance premiums in states with chemo parity laws in effect. 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.

