SENATE BILL REPORT
SB 5512

As of February 12, 2009

Title: An act relating to chemotherapy treatment costs.

Brief Description: Requiring financial parity for oral and intravenous or injected chemotherapy treatment costs.

Sponsors: Senators Marr, Parlette, Pflug and Murray.

Brief History:
Committee Activity: Health & Long-Term Care: 2/11/09.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Mich'l Needham (786-7442)

Background: Depending on the type of cancer and the kind of drug used, chemotherapy drugs may be administered differently. They can be administered orally, or injected into a muscle, under the skin, into a vein, or into the fluid around the spine. A combination of drugs is often employed to increase the effectiveness.

Chemotherapy is often administered in a physician's office, and is generally covered under the major medical portion of the benefit package. There are a wide range of billing codes that reflect the time and complexity of chemotherapy administration services and chemotherapy drugs. Some chemotherapy drugs can be taken orally and can be self-administered. The oral drugs are generally covered under the prescription drug benefit.

Summary of Bill: Beginning January 1, 2010, all health plans that include coverage for cancer chemotherapy treatment must cover orally administered anticancer medication not less favorably than intravenously administered or injected cancer medications, including copayments. The requirements are extended to individual plans, group plans, Basic Health plans, and Public Employees Benefits Board plans.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: There is inequitable coverage for chemotherapy drugs depending on the form they come in. The pill forms are subject to the pharmacy benefit which may have different cost-sharing, like 50 percent copay on brand-name drugs which are very expensive, and result in huge monthly costs. Oregon passed a similar law in 2007 and this solved the copay disparity. The choice of what is most effective and most appropriate for a patient should be between the patient and the physician, and not left to the insurance company to determine.

CON: There is a difference in the benefit coverage for services provided by the physician in the physician's office, and those products purchased in a pharmacy. Not all insurance plans include pharmacy coverage, but this bill would require coverage for chemotherapy drugs. The implementation of the law in Oregon has been very difficult. Some plans have raised their prices for the injected chemotherapy drugs to create parity, but it is not clear if parity has been achieved. It is very complex administratively because there are so many different charges associated with chemotherapy services and administration. It doesn't make sense to single out cancer treatment from other illnesses that may have the same issues with different drugs, like multiple sclerosis.

OTHER: There needs to be an amendment so the bill does not prevent disability policies like AFLAC from offering separate coverage. The amendment should exclude Medicare Supplemental policies or other supplemental contracts that cover a specified disease or other limited benefits.

Persons Testifying: PRO: Heather Kirk, patient advocate; Marcia Fromhold, Fred Hutchinson Cancer Center.

CON: Mel Sorenson, Association of Health Insurance Plans; Carrie Tellefson, Regence; Sydney Smith Zvara, Association of Washington Healthcare Plans.

OTHER: Tim Boyo, AFLAC.