

HOUSE BILL REPORT

EHB 1517

As Amended by the Senate

Title: An act relating to requiring comparable coverage for patients who require orally administered anticancer medication.

Brief Description: Requiring comparable coverage for patients who require orally administered anticancer medication.

Sponsors: Representatives Jinkins, Hinkle, Green, Harris and Stanford.

Brief History:

Committee Activity:

Health Care & Wellness: 2/2/11, 2/17/11 [DP].

Floor Activity:

Passed House: 3/4/11, 80-17.

Senate Amended.

Passed Senate: 4/6/11, 43-2.

Brief Summary of Engrossed Bill

- Requires health plans that cover chemotherapy treatment to provide coverage for self-administered chemotherapy drugs on a basis at least comparable to drugs administered by a provider or facility.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 8 members: Representatives Cody, Chair; Jinkins, Vice Chair; Clibborn, Green, Harris, Kelley, Moeller and Van De Wege.

Minority Report: Without recommendation. Signed by 3 members: Representatives Schmick, Ranking Minority Member; Hinkle, Assistant Ranking Minority Member; Bailey.

Staff: Jim Morishima (786-7191).

Background:

Oral Chemotherapy Medications.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Chemotherapy is a type of cancer treatment involving drugs that target rapidly-dividing cells. Most chemotherapy is delivered via parenteral routes. However, some chemotherapy drugs, such as Melphalan and Busulfan, can be delivered orally. Some oral chemotherapy drugs are capable of targeting cancerous cells, leaving healthy cells unharmed. Others are biologic agents or hormones. Some oral chemotherapy medications are the standard of care for certain cancer types and do not have parenteral alternatives.

Mandated Benefit Sunrise Review.

In December 2010 the Department of Health (DOH) completed a sunrise review of mandated coverage for oral chemotherapy drugs. The DOH concluded that the proposal "is in the best interest of the public and the benefits outweigh the costs of parity legislation for oral anti-cancer treatments." However, the DOH also concluded that there may be some unintended consequences associated with the proposal, such as less favorable coverage for parenteral chemotherapy drugs and lack of coverage for biologic agents.

Summary of Engrossed Bill:

Beginning January 1, 2012, health plans (including health plans offered to public employees and their dependents) that provide coverage for chemotherapy must provide coverage for prescribed, self-administered anticancer medication that is used to kill or slow the growth of cancerous cells on a basis at least comparable to chemotherapy medications administered by a health care provider or facility. This does not prohibit a health plan from administering a formulary or preferred drug list, requiring prior authorization, or imposing other appropriate utilization controls in approving coverage for any chemotherapy.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment requires health plans offering individual or small group products that provide coverage for self-administered anticancer medication to report to the health committees of the Legislature a summary of the plans' cost experience.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Oral chemotherapy drugs are becoming the standard of care for many types of cancer. There are not many situations in which both oral and intravenously or injected medications are available. Since oral chemotherapy is often covered under an insurer's pharmacy benefit (as opposed to the medical benefit), the patient's share of the cost is often much higher for oral medications than for intravenously administered or injected medications. On average, oral chemotherapy drugs are cheaper than intravenous or injected

medications. Doctors and patients should be the ones who decide the most appropriate treatment, but patients often must choose a less effective treatment because of costs. Cancer care is difficult enough without putting patients in this type of position. Oral chemotherapy medications can also have positive secondary impacts on patients; for example, people can take oral medications at home instead of having to come into a facility for intravenous treatments, which can have complications. This bill will help people gain access to these medications.

(With concerns) Costs may be higher for individual plans than for group plans. Oral chemotherapy may be cheaper on average, but not in every case. There is a difference between medical and pharmacy benefits. Trying to blend pharmacy and medical benefits with respect to these drugs could be difficult.

(Opposed) This bill will have an adverse cost impact. The federal government is about to issue rules on essential health benefits. Now is therefore not the time for new state mandates. There will be turmoil associated with complying with federal health care reform. Insurers need time to sort this out without the type of requirements in this bill. California passed a law similar to this bill that resulted in higher costs to consumers.

Persons Testifying: (In support) Representative Jinkins, prime sponsor; Lisa Thatcher, GlaxoSmithKline; Laurie Belinski; Erin Dziedzic, American Cancer Society and Cancer Action Network; Barb Otto; and Marcia Fromhold, Seattle Cancer Care Alliance.

(With concerns) Chris Bandoli, Regence BlueShield.

(Opposed) Mel Sorensen, Washington Association of Health Underwriters, America's Health Insurance Plans, and National Association of Insurance and Financial Advisors.

Persons Signed In To Testify But Not Testifying: None.