



# International Myeloma Foundation

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Michigan Health Policy Committee  
Hearing on HB 4751 (Michigan Cancer Treatment Fairness Act)  
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## **Increasing Affordable Access to Oral Chemotherapies: Saving Lives & Improving Quality of Life for Cancer Patients**

I offer the following testimony on behalf of The International Myeloma Foundation (IMF), in support of HB 4751, the Michigan Cancer Treatment Fairness Act. The IMF is the oldest and largest foundation in the world, dedicated to improving the quality of life of myeloma patients. The IMF is working collaboratively with a patient-centered coalition representing cancer patients, health care professionals, and cancer care centers in Michigan. Together we are focused on ensuring affordable access to anticancer regimens including oral chemotherapy treatments. Members of the coalition include the International Myeloma Foundation (IMF), the Leukemia & Lymphoma Society (LLS), the Michigan Society of Hematology & Oncology (MSHO), among others.

Thank you, Chairwoman Haines and members of the House Health Policy Committee, for holding this critical hearing today to discuss increasing affordable access for cancer patients in Michigan, in regard to oral chemotherapies.

The IMF and its partners strongly support HB 4751, which would require insurers in Michigan to cover oral anticancer therapies at a rate equal to intravenous, or IV, treatments. Currently, patients taking oral chemotherapies typically have much higher out-of-pocket expenses than those receiving them intravenously. To date, 27 states and the District of Columbia have enacted laws to require equal coverage of oral chemotherapies.

The IMF and our coalition partners here in Michigan are working to ensure cancer patients have appropriate access to a broad range of approved and medically accepted anticancer regimens including oral, intravenous, and injected drugs. We believe that every cancer patient should have access to the treatments recommended by their physician and that no one should have to struggle with cost discrimination based on the type of therapy provided or the mechanism of delivery.

Research to find better treatments is robust and ongoing. Treatments are currently available for a range of cancers such as breast, multiple myeloma (MM), and chronic myeloid leukemia (CML), helping to greatly extend life and dramatically increase a patient's quality of life. While we have seen dramatic and important advances in treatments for these cancers (and others) that enable patients to live long, full lives, remissions are not always permanent and additional treatment options are essential.

To help you understand how complicated cancer treatments can be, I'd like to briefly outline a standard course of treatment for patients fighting multiple myeloma. Multiple myeloma (or myeloma) is a cancer of plasma cells in the bone marrow. It is called "multiple" because the cancer can occur at multiple sites in multiple bones. At any one time there are over 100,000 myeloma patients undergoing treatment for their disease in the United States. There is no cure for myeloma, however, it is highly treatable given the latest advancements in research and drug development.

Treatments for myeloma include four targeted anticancer therapies--two injectable treatments and two orally administered drugs--as well as stem cell transplants and are a great example of what is known as "combination therapy"—treating the cancer with at least two of these drugs simultaneously. Myeloma is a recurring disease, so patients typically cycle through all of these treatment options as they attempt to control their cancer. For this reason, it is critical that myeloma patients have equal access to ALL treatments, orally administered and intravenously or subcutaneously (injected) administered drugs. This level of complicated therapies is not limited to myeloma, it is the experience of patients battling a range of other cancers.

In my brief testimony today, I will highlight why passage of HB 4751 is not only good medicine, but also makes economic sense and is the fiscally responsible thing to do. I will also work to dispel the mountain of myths surrounding the bill and its impact in a number of areas.

### **1. What specifically is the problem?**

A small, but critical billing difference allows many Michigan insurance plans to charge a much higher out-of-pocket cost for orally administered cancer treatments. Specifically, IV treatments are usually "housed" under a patient's medical benefit, which typically requires patients to pay only the cost of a standard office visit copayment, generally \$20 or \$30 depending on the plan. Conversely, oral anticancer treatments are normally listed as part of a beneficiary's prescription drug coverage, where there is generally greater financial responsibility placed on the patient in terms of out-of-pocket costs; these can include deductibles or annual caps and co-insurances, which demand the patient pay a percentage of the total cost of the drug. For untold numbers of patients, these costs can run in the thousands of dollars each month. In response, this legislation simply instructs insurers to apply the same cost-sharing rules to patients taking oral anticancer treatments as is extended to IV patients.

### **2. This bill is not a mandate, despite claims by insurers to the contrary.**

HB 4751 does not force health plans in Michigan to cover a service currently not required by state insurance law. In fact, the bill would only affect those plans that currently list chemotherapy as a benefit. The good news is that most insurers in Michigan cover oral chemotherapy treatments for patients, so the issue is not about coverage, but an inequity in the out-of-pocket costs associated with treatments administered by pill vs. the out-of-pocket costs associated with a treatment administered intravenously.

**It is also critical to note that in May of 2013, the Centers for Medicare and Medicaid Services (CMS), the branch of the U.S. Department of Health & Human Services (HHS) charged with implementing the Affordable Care Act (ACA, aka: Obama Care), issued the following guidance, which specifically addresses the question of whether or not oral chemotherapy parity laws are considered new health mandates on states:**

**Q40:**

If a state enacts a new requirement that issuers who provide coverage of intravenous (IV) chemotherapy must cover oral chemotherapy at parity, does the state have to defray the cost?

**A40:**

No. We do not consider such payment parity bills to create a requirement to cover a new benefit.

HB 4751 simply states that **IF a plan covers “chemotherapy” then the patient out-of-pocket costs must be the same - regardless of how the chemotherapy is delivered.** There cannot be cost discrimination just because a treatment is dispensed orally rather than intravenously.

**3. The out-of-pocket caps under the Affordable Care Act (ACA, aka: Obama Care), apply to oral chemotherapy coverage.**

Unfortunately, the Affordable Care Act (ACA) does NOT address the challenge faced by many patients when it comes to the thousands of dollars in prescription drug costs each month and recent guidance issued by the Departments of Labor, Health and Human Services, and Treasury weakens the provision on out-of-pocket limits originally created by the ACA.

**Specifically:**

- Under the ACA, the overall out-of-pocket limit for individuals with private coverage is approximately \$6,250, but a patient with a serious condition such as cancer could easily face actual out-of-pocket costs of approximately \$14,500 or more, when you take into account separate limits set in the guidance for deductibles, major medical and prescription drug expenditures (additionally a dental plan can also have a separate limit). However, President Obama has **delayed the implementation of the out-of-pocket limits** until 2015, and there is no guarantee come 2015 that they will be reinstated.
- Moreover, the departments have stated that if a prescription drug plan does not currently have a limit, then it will not have to have one in 2014, which means patients who require expensive drugs could continue to have enormous financial exposure.
- Further, there are certain plans that are “grandfathered,” or excluded, from providing the same level of benefits that are required by the ACA, including the out-of-pocket caps outlined in the law.

**4. This legislation will not result in increased health insurance premiums.**

The first oral chemotherapy access bill was enacted in 2008. Since then, every analysis conducted post-implementation in the early states found that there has been no to very minimal impact on health insurance premiums related to passage of the legislation. Pre-implementation studies in Vermont and Texas concluded that the legislation was important enough to require legislative action and would not substantially increase health insurance premiums. The state of

Indiana, one of the first states to pass the law in 2009, reported that *“There were initial concerns raised by some carriers regarding a potential increase...however no increase has materialized...”* (Source: Indiana Department of Insurance letter to Sen. Becker and Rep. Welch).

**5. Is it true that NO states have passed this law since passage of the ACA?**

No. Several states have passed and implemented this law after passage of the ACA. To date, 27 states and the District of Columbia have passed oral chemotherapy legislation; 8 of those bills were passed in 2012 and 2013, and in our experience there have not been issues with complying with the requirements of the Affordable Care Act.

**6. This bill is not about choice and convenience to the patient, but what is medically necessary and in the best interest of the patient.**

Nearly all of the oral anticancer drugs currently in use **do not** have an IV or generic equivalent and are specifically indicated as the first and most effective treatment for a range of cancers, making affordability to the patient even more urgent. Treating cancer is an expensive prospect, regardless of the therapy and one that nearly 58,000 Michigan residents will have to face in 2013; moreover, 20,570 of those patients will die from the disease this year. **It is also critical to note here that these are not experimental treatments and that ALL of the oral chemotherapy treatments currently available to cancer patients have successfully completed all four of the necessary phases of the National Institute of Health’s (NIH) clinical trials process and met strict patient safety and efficacy standards established by the U.S. Food and Drug Administration (FDA).**

**IN CLOSING**

As a result of ongoing research and a strong commitment to improving treatments that enhance and extend life, researchers are continually identifying new and more effective therapies for cancers. With nearly 30% of the new therapies in the research pipeline coming in a form administered to the patient by mouth, oral anticancer treatments are truly the wave of the future.

To level the playing field for all cancer patients, insurers in Michigan should cover the cost of oral treatments as they do IV chemotherapy, ensuring that no matter how treatment is administered, cancer patients have access to the best possible care at a price they can afford.

Thank you all for your time and consideration today and The IMF and its coalition partners here in Michigan looks forward to working with you as you move forward on this issue.

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