



INSURANCE COMMITTEE

LISTENING SESSION

CONNECTICUT ASSOCIATION OF HEALTH PLANS

STATEMENT

DIABETES DRUGS, EQUIPMENT AND SUPPLIES

SPECIAL SESSION PROPOSED LEGISLATION

The Connecticut Association of Health Plans and our respective member companies have a number of concerns with the proposed legislation as drafted. It's important to note, however, that we share the legislature's exasperation with respect to the prices being charged by pharmaceutical companies for these critical drugs and supplies.

Capping copays, unfortunately, doesn't do anything to address the actual cost of the drugs and supplies. It simply just spreads the cost across more people by virtue of the resulting premium increases rewarding the bad behavior of the pharmaceutical companies. It's also why efforts spearheaded by many on this committee and members of the Governor's administration to model the Massachusetts Health Policy Council and establish cost growth targets are so critical.

Unless we address the underlying cost of care and whether it's appropriate, we will continue to struggle as a nation to provide affordable health care insurance. Policies, such as the one before you today, while appealing at first glance, actually go in the opposite direction and will cause overall premiums to rise. Exacerbating the situation, the legislation as proposed will apply to less than 35% of Connecticut's insured market because the rest, like the State of Connecticut, have chosen to self-insure meaning the employer determines the benefit package subject to federal law - not state. Those in that 35% cohort are the ones least able to afford the premium increases that will result - your individual and small group policy holders.

Policy aside, the "combined cap" provision which appears under both the individual and small group sections of the bill would be almost impossible to implement because the benefits are administered by different parts of the health plan. For example, insulin and non-insulin drugs would be administered under the pharmacy benefit and the equipment and supplies under the durable medical equipment/medical side of the house and the two operate under different IT



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systems. **Therefore, we respectfully request that both sections of the bill be deleted as follows:**

~~During any thirty-day period, the combined coinsurance, copayments, deductibles and other out-of-pocket expenses for all medically necessary covered insulin drugs prescribed to an insured for such period and all medically necessary covered diabetes equipment and supplies for the insured for such period shall not exceed one hundred dollars, provided such diabetes equipment and supplies are in accordance with such insured's diabetes treatment plan.~~

In recognition of the cost crisis, many carriers have voluntarily reduced cost-sharing on various forms of insulin. The difference between the steps they've undertaken and what the bill proposes to do is that carriers maintain leverage to negotiate with manufacturers by putting their drug on a preferred tier. Passage of this bill, will eliminate that leverage and cause prices overall to rise because all products, regardless of cost, will have to be treated the same. **Instead, CTAHP would recommend that you require carriers to have at least one insulin drug per category (long-acting, short-acting, etc.) on their lowest cost tier. With that approach, carriers would still have the ability to negotiate prices downward.**

Likewise, we would strongly suggest that "in-network" be added anywhere that "prescribing provider" is used to avoid complications with surprise billing by out-of-network providers.

We would also respectfully request that the section relative to supplies and equipment be removed. Supplies and equipment don't lend themselves to a 30-day supply necessarily - nor to a cap. Other states haven't gone in this direction because of this complexity and also because they recognize that insulin is the primary area of concern.

We were surprised to see language inserted into the bill dealing with epilepsy drugs since it's out of scope with the call of the special session. This is an issue that has been considered and rejected by the legislature in year's past - and should be rejected again. Connecticut already has robust statutes on the books that allow for override of drug substitutions. Legislation of this nature is not necessary.

In conclusion, pharmacy costs continue to be a major driver of the premium dollar accounting for 15% increases year over year. Aligning the financial incentives in the manner proposed will be detrimental to consumers in the long run and we respectfully request that changes be made to avoid such unintended consequences.



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Thank you for your consideration.