

August 28, 2012

Governor Jerry Brown
c/o State Capitol, Suite 1173
Sacramento, CA 95814

Dear Governor Brown:

The Academy of Managed Care Pharmacy is writing to urge you to veto AB 1000. The legislation would require all health care service plan contracts renewed on or after July 1, 2013, and which provide coverage of outpatient prescription drugs, to cover oral chemotherapy agents at the same cost-sharing level as intravenous (IV) or injected chemotherapy agents. The bill would prohibit health plans from increasing cost-sharing for IV or injected agents in order to meet the requirements of the legislation.

AMCP is a national professional association of pharmacists and other health care practitioners who serve society by the application of sound medication management principles and strategies to improve health care for all. The Academy's more than 6,000 members, over 1,000 of whom reside in California, develop and provide a diversified range of clinical, educational and business management services and strategies on behalf of the more than 200 million Americans covered by a managed care pharmacy benefit.

Of utmost concern to our members is making sure that our patients receive the right medication at the right time. They work diligently to design and administer evidence-based, affordable prescription drug benefits. Like many patients, our members are extremely concerned about the impact that rapidly rising prescription drug costs, including costs for certain newer chemotherapy agents, have on patient access to these treatments, especially those which are clinically superior to other available treatments.

When designing a prescription drug benefit, several factors must be taken into consideration. Currently, if one treatment is shown to be more effective than other treatments, or to have a higher clinical value in comparison to other treatments, a plan may choose to offer more favorable cost-sharing requirements for that treatment relative to other treatments. This benefits patients by offering coverage of more effective treatments at the most affordable rate and also benefits payers by maximizing the value of dollars spent on treatment.

President
Douglas S. Burgoyne, PharmD
VRx Pharmacy Services
Salt Lake City, UT

President-Elect
Kim A. Caldwell, RPh
Humana Pharmacy Solutions
McKinney, TX

Past President
David L. Clark, RPh, MBA
VisumRx
Murray, UT

Treasurer
Robert S. Gregory, RPh, MS, MBA
Rx Gregory Consulting, LLC
Southington, CT

Director
Steven G. Avey, RPh, MS
Catalyst Rx
Phoenix, AZ

Director
David Calabrese, RPh, MHP
SXC Health Solutions Inc.
Lisle, IL

Director
H. Eric Cannon, PharmD, FAMCP
SelectHealth
Salt Lake City, UT

Director
Kathleen Kaa, RPh, PhD
Genentech, Inc.
San Francisco, CA

Director
Mitzi M. Wasik, PharmD
Coventry Health Care
Downers Grove, IL

Chief Executive Officer
Edith A. Rosato, RPh, IOM
AMCP
Alexandria, VA

Another consideration is the risks and benefits associated with both oral and IV chemotherapy treatments. With the relatively recent increase in availability of oral chemotherapy agents, best practices regarding their administration are rapidly evolving. Additionally, health care professionals are collecting and analyzing “real world” data to evaluate patient adherence and outcomes associated with oral chemotherapy. While oral chemotherapy agents are more convenient for patients, especially those who live far away from an infusion center or physician’s office, they also place the burden of correct administration of the drug entirely on the patient or their caregiver. There are also questions regarding the appropriate management of any side effects that a patient receiving oral chemotherapy may experience and how that may affect patient adherence. On the other hand, IV chemotherapy treatments can be less convenient for patients, and can also introduce the increased risk of infection, but patients are under the supervision of a health care professional who can ensure proper administration and help to manage any side effects at the time of treatment. Cost-sharing parity mandates remove tools from health plans that enable them to retain the flexibility to adjust benefit design in response to the latest medical evidence for the benefit of patients.

Finally, this legislation does not address the root cause of the problem: the high costs of these treatments. Because many of the treatments that would be subject to this requirement have no generic or therapeutic alternative, it is difficult for health plans to negotiate more favorable prices from manufacturers. Reduced cost-sharing does not lower the overall cost of the prescription drug. Instead, it simply shifts those costs back to the health plan. This could have the unintended consequence of actually increasing costs, not only for patients receiving treatment for cancer, but for all of the patients covered by the pharmacy benefit.

For these reasons, we are asking you to veto AB 1000.

Sincerely,

A handwritten signature in cursive script, appearing to read "Edith A. Rosato".

Edith A. Rosato, R.Ph., IOM
Chief Executive Officer