

**America's Health
Insurance Plans**

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March 28, 2017

Representative Steve Huffman
Chair, House Health Committee
77 S. High Street
12th Floor
Columbus, OH 43215

Re: HB 72 – Requirements for Step Therapy Protocols – OPPOSE

Dear Chairman Huffman:

I am writing on behalf of America's Health Insurance Plans (AHIP), a national trade association representing the health insurance community, to provide comments on HB 72, which establishes requirements for health plan issuers concerning step therapy protocols. AHIP's members, including those who provide coverage to Ohioans, offer health and supplemental benefits through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid. AHIP advocates for public policies that expand access to affordable health care coverage to all Americans through a competitive marketplace that fosters choice, quality, and innovation.

Prescription drugs are an important part of medical treatment. Health plans have arranged various utilization protocols and methods to assist in controlling health care costs and ensuring patient safety. One of those important methods is using "step therapy" for prescription drugs. A step therapy program is an approach to providing prescription drug coverage by beginning drug therapy for a medical condition with the drugs shown to be effective in treatment, and safest most cost-effective drug, before progressing to more costly or risky drug therapy. Step therapy programs are developed using FDA guidelines, clinical evidence, and research.

Restrictions on Step Therapy Increase Health Care Costs to Consumers and Small Businesses

According to National Health Expenditure Data, spending on prescription drugs since 2007 has outpaced the average annual increase of health costs every year – from an 11.2 percent increase in 2007 for a total of nearly \$236 billion – to the recent final numbers for 2015 of an increase of

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9 percent (when average annual increases were at 5.8 percent) for a total of nearly \$325 billion¹. The CBO has indicated that, in the absence of prescription drug management, premiums for health insurance plan coverage would be five to 10 percent greater than they currently are².

Research regularly indicates that, without adequate cost containment efforts, prescription drug costs drastically increase, especially for treatments still under patent (“brand” medications). Thus, limiting the ability of health plans to utilize step therapy that promotes safe and effective treatments when appropriate, prior to higher cost, higher risk and potentially dangerous, addictive medications fails to address the unsustainable increases in health care costs and has a serious potential to harm. Increases in the cost of prescription drugs dramatically impact the ability of many individuals to obtain affordable health care coverage, and threaten the ability of small employers to provide coverage for their employees.

Restrictions on Step Therapy Can be Detrimental to Patient Safety

Step therapy encourages physicians and patients to undertake a more evidence-based measured approach to treatment that is tailored to the individual by gauging a patient’s response to less harmful medications before graduating to the more potent and high-risk drugs.

For potentially addictive and abused drugs, health plans implement step therapy protocols in their pharmacy management as a way to maximize treatment and disease management while reducing the risks associated with overmedication, prescription drug abuse, and addiction.

Pain medications are the most abused class of prescription drugs today. In fact, in April 2011 the Obama Administration released a new report titled “Epidemic: Responding to America's Prescription Drug Abuse Crisis.” The report highlights prescription drug abuse increases, particularly pain medications, and focuses on additional education, monitoring and enforcement strategies to address the epidemic. States throughout the country are taking steps to control the proliferation of potentially dangerous drugs, and restrictions on step therapy run counter to these efforts.

Thank you for this opportunity to communicate AHIP’s perspective on HB 72. If you have any questions, please do not hesitate to contact me at jkeepes@ahip.org or (202) 778-8477.

¹ Health Affairs March 2017 vol. 36 no. 3553-563. “National Health Expenditure Projections, 2016–25: Price Increases, Aging Push Sector To 20 Percent Of Economy” – exhibit 4.

² Congress of the United States Congressional Budget Office, “Key Issues in Analyzing Major Health Insurance Proposals,” 2008. Available online at <http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/99xx/doc9924/12-18-keyissues.pdf> (last accessed March 2017).

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Sincerely,

A handwritten signature in black ink, appearing to read "Joshua D. Keepes". The signature is fluid and cursive, with the first name "Joshua" being more prominent than the last name "Keepes".

Joshua D. Keepes, J.D.
Regional Director