



Our Mission: To drive efforts to cure psoriatic disease and improve the lives of those affected.

February 24th, 2020

The Honorable Laurie Monnes Anderson
Chair, Senate Committee on Health Care
900 Court St NE
Salem Oregon, 97301

RE: Support HB 4102-A Utilization Management Reform

Dear Chairwoman Monnes Anderson and members of the Senate Committee on Health Care,

The National Psoriasis Foundation (NPF) is a non-profit organization with a mission to drive efforts to cure psoriatic disease and improve the lives of those affected. The NPF is the leading patient advocacy group for more than 8.3 million Americans and the more than 105,000 Oregon residents living with psoriasis and psoriatic arthritis. I write to you today to express our support for HB 4102-A.

Each day, our patients face the reality of barriers to health care through utilization management practices that impact treatment, health, and well-being. When these policies interfere with the patient-physician relationship, they can result in delayed treatment, increased disease activity, loss of function, and potentially irreversible disease progression.

One practice called step therapy, also known as ‘fail first’, directs patients to medications that are preferred on the formulary, requiring patients to ‘fail first’, often, multiple times, on certain medications before they receive insurance coverage for the treatment originally prescribed by their provider. Due to the heterogeneous nature of psoriatic disease, patients need access to a broad range of treatment choices, making a one-size-fits-all approach harmful for patients.

It is critical that patients can receive an exception to the required step therapy practice when the plan-directed medication is inappropriate. Delays in treatment can have devastating health implications that are avoidable when patients have access to a timely, clear, and accessible exception requests process. A study showed that step therapy protocol is inconsistent across payers, creating additional confusion and frustration for patients and their providers acting on their behalf. ¹HB 4102-A would set a standard for the exception request process including timelines, clinical review criteria and guidelines making the process transparent and straightforward.

Multiple studies have shown while step therapy can successfully control costs, in some instances, this practice may do more harm than good including unnecessary costs to the system when individuals need to seek additional medical care to properly manage their condition. One study found that total Medicaid costs increased by \$0.32 per member per month (PMPM) while drug costs decreased by \$0.26 PMPM (an overall increased spend of \$.06 PMPM). The same study also found that due to step therapy requirements, more patients switched medications within 6 months and fewer patients received continuous therapy at 6 months.^{2,3} Similarly, a study found that adherence to medication declined due to formulary restrictions

¹ Chambers JD, Kim DD, Pope EF, Graff JS, Wilkinson CL, Neumann PJ. Specialty Drug Coverage Varies Across Commercial Health Plans In The US. *Health Affairs*. 2018;37(7):1041-47.

² Panzer PE, Regan TS, Chiao E, Sarnes MW. Implications of an SSRI generic step therapy pharmacy benefit design: an economic model in anxiety disorders. *Am J Manag Care*. 2005;11(12 suppl):S370-S379.

³ Carlton, R.I.; Bramley, T.J.; Nightengale, B.; Conner, T.M. & Zacker, C. (2010) Review of outcomes associated with formulary restrictions: Focus on step therapy. *The American Journal of Pharmacy Benefits* 2(1). 50-58

and total costs increased with formulary restrictions due to increased inpatient and medical costs as well as increased pharmacy costs.⁴

HB 4102-A creates common sense guardrails on utilization management protocols recognizing the primacy of the patient-provider relationship while maintaining the ability for insurers to use these tools to manage costs. We applaud you and Senate Knopp's support on this issue and encourage the committee to vote favorably for this legislation.

Thank you for your time and consideration. If you have any questions, please reach out to Brittany Duffy-Goche with the National Psoriasis Foundation at bduffy-goche@psoriasis.org.

Sincerely,



Randy Beranek
President & CEO

⁴ Seabury SA, Goldman DP, Kalsekar I, Sheehan J, Laubmeier K, Laubmeier K (2014). Formulary Restrictions on Atypical Antipsychotics: Impacts on Costs for Patients with Schizophrenia and Bipolar Disorder in Medicaid. *American Journal of Managed Care*, 20(2), pages e52-e60