WISCONSIN Comprehensive Cancer Control Program

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Equal Access to Oral Cancer Treatments for Wisconsin Cancer Patients

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BACKGROUND

In 2013, about 31,590 Wisconsinites will be diagnosed with cancer.[1] After a patient has been diagnosed with cancer, the health care provider will develop a cancer treatment plan. Types of cancer treatment can include surgery, radiation therapy, hormonal therapy (oral or injectable) and chemotherapy, which can include oral and intravenous/injectable medications. Intravenous (IV) medications are usually administered in a doctor's office or hospital. Oral medication is typically dispensed as a prescription and provided by a pharmacy.[2]

IV therapies have been the most common method of administering chemotherapy.[3] However, in the past decade, development of oral cancer treatment drugs has accelerated.[3] It is projected that around 25% of chemotherapy drugs in development phases are oral medications, and not all oral medications have an injectable or IV equivalent.[4] Increasingly, oral chemotherapy drugs are becoming the standard course of treatment for certain cancers with no IV or generic equivalent.[5]

Summary

Background – Historically, intravenous (IV) therapies were the most common method of cancer treatment. In recent years, oral chemotherapy has accelerated in development, becoming another viable treatment option for many cancer patients.

Issue Explanation – Intravenous (IV) chemotherapy is typically a health insurance medical benefit, while oral cancer treatment medications tend to be a health insurance pharmacy benefit. These two categories of health insurance benefits have different out-of-pocket cost implications for the patient –often the pharmacy benefits' out-of-pocket costs are much higher. With these differing insurance benefit designs, patient out-of-pocket costs can be vastly different. These co-pays may be hundreds or thousands of dollars per month, and as a result some patients choose not to fill their initial prescriptions for oral cancer treatment medications, reduce their dosing or stop treatment all together due to the high rates of cost-sharing.

Policy Implications – In response to this differential in coverage for necessary cancer treatment, 27 states and the District of Columbia have passed laws requiring insurers to ensure that patient out-of-pocket costs for oral cancer drugs are equal to their costs for IV treatments. Legislation has been proposed in Wisconsin to equalize the coverage between oral and IV cancer treatments, thereby removing the cost barrier for accessing the most effective cancer patient treatment.

ISSUE EXPLANATION

Health Insurance Coverage and Cancer Treatment

Health care services fall into different health insurance categories, among them are medical benefits and pharmacy benefits. In most cases, patients have less cost sharing with medical benefits than with pharmacy benefits. IV cancer treatment falls under the medical benefits and patients may pay a co-payment that applies to the drug and the cost of administering it. Typically, insurance policies cap the amount of annual out-of-pocket costs to patients under medical benefits.

Oral cancer treatment medications are generally considered to be a pharmacy benefit. As such, patients must often pay a higher percentage of the drug cost with no annual out-of-pocket cap or limit. These co-pays may be hundreds or thousands of dollars per month, and as a result some patients choose not to fill their initial prescriptions for oral cancer treatment medications.[6] Patients may also change to intermittent dosing, or reduce their dose to extend the duration of their prescriptions without the knowledge or consent of their doctor or stop their cancer treatment all together due to the high rates of cost-sharing.[6]

The higher out-of-pocket cost for oral chemotherapy drives some patients away from that treatment option. A study published in the American Journal of Managed Care found that "patients experiencing higher cost-sharing amounts were significantly more likely to abandon the oral chemotherapy agent, compared with patients with the lowest cost-sharing amount."[7] The study found that 10% of patients abandoned their oral cancer treatment medicine and another 25% had some delay in starting another chemotherapy option.[7]

Another study found that one in six cancer patients with high out-of-pocket

(OOP) costs abandon their medication.[8] The study also found that patients with an OOP greater than $200 were at least three times more likely to not fill their prescription than those with OOP costs of $100 or less.[8] These studies together show that higher OOP costs negatively impact a patient's ability to adhere with the best treatment for their cancer.

Additionally, for some types of cancer, the most effective and sometimes the only treatment comes in oral form.[5] Clinical study results, published in the Journal of Clinical Oncology, found for a range of oral chemotherapy treatments that oral therapies are as effective as and often more effective than IV treatments.[9]

PROPOSED POLICY CHANGE IN WISCONSIN

Cancer Treatment Fairness Act

The differential financial cost coverage by insurers of necessary cancer treatment has prompted a number of states to pass laws requiring insurers to provide coverage for oral cancer treatment drugs that is equal to coverage of IV treatments. An additional number of states have active/pending legislation, including Wisconsin. (**See Figure 1**) These laws create cost-sharing parity between IV treatments and oral treatments. The laws allow the health care provider and cancer patient to select the appropriate treatment making out-of-pocket costs equal.

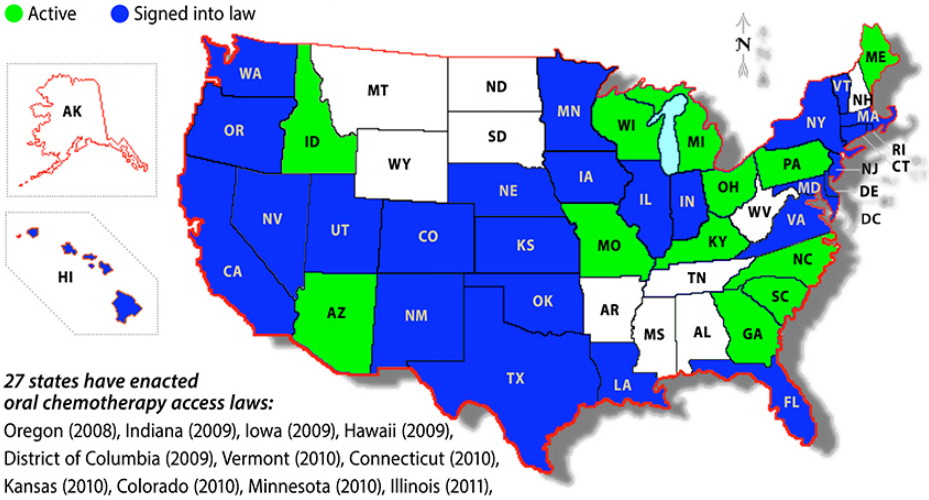
In Wisconsin there are two identical bills before the State Legislature, AB 392 and SB 300,[10] which propose to equalize out-of-pocket patient costs for oral cancer treatments and IV cancer treatments. These bills, known as the "Cancer Treatment Fairness Act" prohibit state regulated health insurance policies that cover IV and oral chemotherapy from requiring the insured to pay a higher copayment, deductible, or coinsurance for oral chemotherapy than is required for IV chemotherapy, regardless of the formulation or benefit category determination by the policy or plan. They also state that a health insurance policy may not increase the copayment, deductible, or coinsurance for IV chemotherapy to meet that of the oral chemotherapy that is covered under the policy or plan. The requirements of the bill apply to individual and group health insurance policies, including limited service health organizations, preferred provider plans, defined network plans, and cooperative associations' health care plans; to health care plans, including a self-insured plan, offered by the state to its employees; and to self-insured health plans of a city, town, village, county, or school district.[3] It does not apply to Medicaid, Medicare or private employer-based, self-insured plans.

PROGRAM/POLICY IMPLICATIONS

The proposed policy changes here in Wisconsin seek to establish cost-sharing parity relative to a patient's out-of-pocket costs between the different methods (oral and IV) of cancer treatment. A priority within the Treatment Chapter of the Wisconsin Comprehensive Cancer Control Plan 2010-2015 is to "Increase Access to Quality Cancer Care."[11] Removing financial barriers for patients is one way to increase access to quality cancer care. Those in favor of oral chemotherapy out-of-pocket cost equity state that the *Cancer Fairness Treatment Act* helps to increase access to quality cancer care, stating such a law would provide more affordable access to the best treatment options available for an equal cost.[3]

FIGURE 1:

Oral Chemotherapy Access Legislative Landscape – October 2013



27 states have enacted oral chemotherapy access laws:
Oregon (2008), Indiana (2009), Iowa (2009), Hawaii (2009), District of Columbia (2009), Vermont (2010), Connecticut (2010), Kansas (2010), Colorado (2010), Minnesota (2010), Illinois (2011), New Mexico (2011), Texas (2011), New York (2011), Washington (2011), Nebraska (2012), New Jersey (2012), Maryland (2012), Virginia (2012), Delaware (2012), Louisiana (2012), Massachusetts (2013), Utah (2013), Oklahoma (2013), Nevada (2013), Florida (2013), Rhode Island (2013), and California (2013).

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Source: Patients Equal Access Coalition. Retrieved from http://peac3.myeloma.org/oral-chemo-access-map/

Aside from cost, in recent years, oral chemotherapy is more frequently prescribed and, in some types of cancer, it is the standard of care. In many cases, oral chemotherapy medications do not have IV alternative.[3] These pills are not only less toxic than conventional IV chemotherapy; they also have turned once incurable cancers such as myeloma and breast cancer into manageable diseases.[3] These new treatments decrease the need for hospitalizations and out-patient infusions.[3] In addition, these treatments allow patients the ability to continue to work and contribute to the economy because they are self-administered, and often have fewer side effects.[3]

Oral chemotherapies have helped to spur progress in cancer survivorship. According to the Leukemia & Lymphoma Society, "Since targeted cancer therapies were introduced in 1993, the number of cancer survivors has more than doubled from about 6.8 million to 14 million today. That translates into 43 million added years of life – which Columbia University economist Frank Lichtenberg says added $4.2 trillion to our economy."[3]

Potential increases in insurance premiums concerns have been raised by some insurance carriers. However, pre-implementation studies concluded that legislation would not substantially increase health insurer premiums.[12] Further, two analyses conducted post-implementation in the early adopter states found that there was no to very minimal impact on health insurance premiums related to passage of the legislation.[13,14] The state of Indiana reported that "There were initial concerns raised by some carriers regarding a potential increase…however no increase has materialized at this time."[14] Insurance coverage of oral cancer medication is not the issue with the current Wisconsin proposals. Since most insurance plans already cover medication, the issue is about out-of-pocket cost differential to patients between IV cancer treatment and oral cancer treatment.

Evidence suggests that oral therapies cost less than IV therapies. A study published in the Journal of Medical Economics found that total treatment costs for IV therapy were higher than oral therapy even though the drugs themselves cost about the same.[15] The annual treatment costs for the IV therapy were approximately $17,000 more per year based on the study, which focused on Multiple Myeloma patients.[15] The overall cost of IV chemotherapy can be extensive. Beyond the cost of the drug, there are additional costs to the payer that are not present with oral chemotherapy - administration costs like nursing and facility fees can total hundreds of dollars every time the patient sits in the chair.[15]

Removing cost barriers between oral and IV chemotherapies, thus being able to provide patients the best cancer treatment available to them will increase access to quality cancer care and increase the number of cancer survivors in Wisconsin.

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