March 9, 2017
Legislative Update Meeting
Supplemental Material
Regarding SB233

Hometown Health

INDIVIDUAL | FAMILY | GROUP | MEDICARE

There's a plan for everyone. Find yours.

March 9, 2017

Thank you for inviting us to comment on SB 233 and its potential issues and consequences. These comments follow.

Hometown Health as a Nevada based health plan currently covers all essential generic dosage forms of oral contraceptives at no cost to the patient, along with brand products that are without generic availability; also at no cost to the patient. The Affordable Care Act requires coverage of generic oral contraceptives at no cost, and allows for brand products where generic products are not appropriate, which essentially makes all types of contraceptives available at no cost, after a 'trial and failure' of a generic alternative. The bill appears to provide for medication without restriction. Removing all clinical appropriateness management tools and medical research validated evidence based criteria for oral contraceptives, should this bill be implemented, will not change accessibility to contraceptives for health plan members or for participants in other like plans. This bill is not guaranteed to improve the care that the member receives; instead, this bill will drive up healthcare costs by not providing for the use of solid evidence based practice recommendations that assure both patient safety and sound financial practices that allow the use of limited resources to be managed appropriately.

Insurers and pharmacy benefit management companies use those clinically sound evidence based criteria including FDA recommendations to make preliminary determinations concerning specific pharmaceutical use for specific conditions. Pharmacists and physicians review patient specific clinical information and often reach out to the prescriber to understand why a particular medication has been requested. Patients who have been on a medication and who are stable on that medication are most often approved to stay on the medication. The goal is to provide the best care and the best use of resources.

Drug patent expirations occur throughout the year, which allows generic drug availability, frequently, at much lower costs. Most often formularies are not changed mid-year, but members who want the generic medication to get a

lower cost sharing can ask for it. There are literally hundreds of oral contraceptive medications on the market that can be chosen by providers for prescribing. The vast majority of the most often prescribed hormonal combinations are available in generic form. Millions of women around the country are on these medications and do well with them. If there are generic equivalents to the medication that is available in brand, there is minimal downside in asking that the generic be the first choice for the prescriber and the member. The inability to require use of the generic equivalent first, will inhibit the plan's ability to move or maintain utilization to the generic replacement, which would otherwise result in cost savings for both the member, and the plan. The cost increase for the oral contraceptives could be substantial without any real change in value or treatment outcomes.

Allowing a 12 month supply of oral contraceptives without criteria has the potential to lead to waste and excessive costs. A provider never knows how a patient is going to respond to any type of oral contraceptive. Many times, titration of the strength is needed, as the patient may experience side effects thus leading to discontinuation, or necessitate a change in strength. A patient may decide they want to stop the contraceptive to become pregnant. These situations will lead to waste, and may increase the risk for improper disposal. Therefore, reasonable criteria would require an initial 3 month supply to be dispensed, in order to establish safety and efficacy of the medication, before allowing a 12 month supply. This would ensure that the member is stable, and would avoid waste and unnecessary expenditures. Also if a 12 month supply is dispensed and side effects occur or the medication is ineffective, the member would be responsible for out of pocket costs for that next supply; a cost that could be substantial.

Hormone replacement therapy (HRT) as described in the bill is ambiguous within the bill and needs clarification. It is unclear if the HRT is related to only female hormone replacement for postmenopausal use or for all hormone replacement such as thyroid, testosterone, growth hormone etc. There are many therapies classified as hormones, and clinical appropriateness criteria is in place to ensure patient safety and efficacy of the products. Removal of prior

authorizations, allowing open access to these medications, will drive up costs, allow for over-utilization, and allow for potential abuse. For example, testosterone is one type of HRT. Androgen (an anabolic steroid) misuse is of growing concern, and is increasingly observed in men for purported, but unproven, anti-aging, and other unsupported clinical conditions. Currently, our prior authorization criteria exists for both patient safety, as well as to guide usage in the appropriate population who possess a medical necessity for such hormone therapy. Removal of the criteria will open up access to who individuals who fall outside this scope, which will lead to abuse and substantial increased overall spending for these hormones. Testosterone has a well-documented potential for abuse, and the FDA recently approved a class-wide label change to indicate the risk of abuse and dependence for testosterone and other anabolic, androgenic, steroids.

Even if "Hormone Replacement" referred only to Estrogen and Progesterone replacement in females, opening up access to all products without any appropriateness oversight would lead to overutilization of expensive formulations (mists, gels, etc.), for which there are numerous generic alternatives at a fraction of the cost. There is still much clinical controversy surrounding the proper use, and duration, of hormone replacement in post-menopausal women. Open and free access to all products, without safety considerations through clinical appropriateness management, would significantly drive up utilization, and could lead to *more* adverse outcomes for women.

Richard Rosen, MD
Medical Director Hometown Health

James Kim, Pharm D
Managed Care Pharmacist Hometown Health

Linda Ash-Jackson, MD
Chief Medical Officer
Hometown Health