

# Removing Barriers to Quality and Timely Care

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# Overview of Aimerd Alliance

- **Mission:** We are a nonprofit organization that seeks to improve healthcare in the U.S. by supporting the development of and access to safe and novel, evidence-based treatments and technologies for patients with chronic conditions.



# Preview

- Health Care Coverage in Ohio
- Is Coverage Meaningful?
- Barriers To Access
- Affordable Care Act
- Benefit Utilization Management Policies
- Recommendations

# Health Care Improvements in Ohio

- Increased number of Ohioans have health care
  - In 2013, 1.3 million Ohioans uninsured
  - In 2016, 402,000 uninsured
- Ohio's Medicare counseling program tops national ranking
- Ohio Achieving a Better Life Experience (ABLE Act)



# Is Coverage Meaningful?

- Study: 31 mill. Americans underinsured
- Ohio Headlines:
  - “Ohio health insurance deductibles going up” (Lima Ohio, 3/25/16)
  - “Pinched by deductibles, some forego medical care” (Dispatch, 11/22/15)
  - “Ohio flooded with high-cost health insurance; coverage goes up but access goes down” (Cleveland.com, 11/2/15)
- Need access to timely & quality care personalized to individual needs

# Barriers to Access

- Insurers & pharmacy benefit managers restrict access to save money
  - Step therapy
  - Adverse tiering
  - Nonmedical switching, continuity of care, network adequacy
  - Prior authorization
  - Clinical pathways
  - Oral parity
  - Formulary transparency
- Lack of access & choice / one-size-fits-all treatment
- Can be unethical

# Affordable Care Act

- Signed into law in 2010
- Expands access
- Prohibits discrimination based on disability
  - No denial, cancellation, limitation, or refusal of coverage (preexisting conditions)
  - No higher premiums
  - No lifetime and annual limits on dollar value
  - No additional cost-sharing
  - No marketing practices or benefit designs that discriminate

# Step Therapy

- Issue: Requires patients to “fail first” on inferior treatment before accessing prescribed treatment
  - May not be based on medical standards of care
  - Ignores patients’ individual needs
  - Delays effective care
  - In Ohio, direct medical costs of health consequences b/c of lapses in care cost the state three times what was saved on meds.
- Examples:
  - Patient with RA forced to fail on 6 drugs
  - Patient w/MS forced to take med that causes severe gastrointestinal issues

# Step Therapy

- Federal protections:
  - Nondiscrimination rule
  - CMS letter to qualified health plans
  - Medicare Act
- State protections:
  - OH HB 443 (2016) & SB 243 (2015) – referred to committee
  - Allows for exception

# Adverse Tiering

- Issue: Places all meds in tier w/highest cost-sharing
- Examples:
  - Cancer meds placed on highest cost tier (\$5,000 per month)
  - 4 Florida insurers discriminated against HIV patients (\$4,892 per month)
- Federal protections:
  - ACA nondiscrimination provision
- State protections:
  - OH SB 135 (2015) – referred to committee
  - Limits out-of-pocket costs to \$150 per month for specialty drugs
  - Request coverage of non-formulary drug

# Nonmedical Switching, Continuity of Care, Network Accuracy

- Issue:
  - Forcing stable patients to switch to cheaper meds
  - Forcing patients to pay out-of-pocket max twice
  - Inaccurate listings of in-network services
  - Surprise medical bills
- Examples:
  - InHealth's bait-and-switch of OhioHealth hospitals and doctors
  - "Cleveland Clinic patient says \$30 co-pay turned into \$3,000 bill" for chiropractic services
  - Blue Shield of California fined \$350,000 and ordered to repay patients for outdated provider directories
  - Anthem of California ordered to refund \$8 mill for mid-year changes, including annual deductibles, co-pays, and other out-of-pocket costs

# Nonmedical Switching, Continuity of Care, Network Accuracy

- Federal protections:
  - ACA's "guaranteed renewability of coverage"
  - Medicare plans face fines of up to \$25K per beneficiaries for outdated network info
- State protections:
  - Contract law
  - No Ohio bill yet
  - CA Bill: Prohibits max out-of-pocket costs 2x in one year; notify enrollee of changes to formulary prior to renewing
  - FL Bill: No mid-plan year changes
  - MD Bill: Network directory must be available and accurate

# Prior Authorization

- Issue:
  - No coverage until insurer approves it
  - Causes significant delay in diagnosis & treatment
  - Administrative burden
- Examples:
  - Hepatitis C patients forced to show advanced liver damages

# Prior Authorization

- Federal protections:
  - ACA Nondiscrimination Provision
  - Medicare Act
  - CMS Letter to Issuers
- State protections:
  - SB 129 requires quicker decisions from health insurers
    - Standard prior authorization form
    - Decision w/in 24 or 48 hours

# Clinical Pathways

- Issue:
  - Insurer pays practitioner to prescribe certain treatment despite patient's needs
  - Creates conflict of interest
- Examples
  - Insurer pays oncology monthly payments of \$350 for each patient following pathway
- State protections
  - Medical Practice Act: prevents conflicts of interest
  - Commercial Bribery Statutes
  - Legislation: NY bill requires disclosure; WA bill prohibits insurer payments altogether

# Oral Parity

- Issue: Lack of equal coverage for orally administered cancer meds
- Examples:
  - Moda Health Plan fined \$17,000 & required to refund overcharges
- State protections:
  - Parity bills passed in 39 states
  - Ohio SB 99 bill passed in 2014: prohibits less favorable coverage

# Recommendations

- Regulators: Enforce laws in place
- Practitioner & Patient Engagement: Appeal denials, file suits
- Policymakers: Introduce and pass new laws & regs. to strengthen consumer protection
- Write letters in support of state legislation

# Conclusion

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- Thank you