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**Michigan Senate Bills 540-41, by Senator Kahn
House Bills 5132-33, by Representative Haines
Oral Anti-Cancer Medications**

**The National Patient Advocate Foundation
Stands in SUPPORT of this Legislation**

The Patient Advocate Foundation provided essential assistance in 2011 to over 103,000 patients nation-wide in regard to many issues that impact on their overall, wellness, quality of life and effectiveness of medical treatment. PAF was contacted by over 99,120 patients in Michigan for information or assistance in 2010 and we were able to provide assistance in some form, including co-pay relief, to over 2,000 patients in the State of Michigan. The Patient Advocate Foundation provided over \$31 million in co-pay relief to patients across America in 2010.

NPAF is very appreciative of the opportunity to provide testimony in support of this very good legislation for several extremely important reasons:

- 1) **The current financial burden on patients and their families is enormous.** Because the cost of IV chemotherapy is typically covered under a health plan's medical benefit, patients are usually required to pay an office visit co-pay, usually around \$20-\$30 at the time of the visit. Orally administered anti-cancer medications require patients to pay much higher co-payments, which can sometimes be a percentage of the drug's cost and which can amount to thousands of dollars each month. In many cases, out-of-pocket costs for the patient range between \$2,000 and \$7,000 per month. Even for successful working families in this time of recession, this is an enormous burden that often leads to medical bankruptcy. 37.16% of the patients who contacted us in Michigan in 2010, or about 36,800 patients, reported an inability to pay for the out-of-pocket costs of their essential medications.

This legislation will provide access to essential medications for thousands of cancer patients in Michigan. Oral anti-cancer medication allows patients to remain in the work

force and spend valuable time with their families. For the cancer patients who need these medications, every day that they are able to remain in the workplace, function normally in the world and spend valuable time with their families is a gift of life.

- 2) **The physical implications on patients and their families are hard hitting.** Intravenously administered chemotherapy requires numerous hospital or in-office visits and causes side effects such as pain, hair loss, nausea, vomiting and anemia. Patients experience decreases in income because of loss of work time, and issues related to mobility, child care, and transportation. Oral anti-cancer medications not only reduce hospital time by up to two thirds but also create a greater than 50% reduction in these medical side effects.
- 3) **We believe that it will have the effect of reducing overall health care costs.** When patients contact us, they are usually at or close to the point where they cannot afford their medications and if they cannot afford them, they can't obtain them and their health deteriorates rapidly. Sicker patients require more expensive care and for many of these patients that means intensive hospital care, which can cost between \$6,000 to upwards of \$10,000 per day.¹ That is an essential fact and in America, between 2000 and 2005, the cost of critical care medicine per day increased by 30.4% and the annual cost of critical care medicine in that time period increased by 44.2%.² Providing the access to essential medications will keep patients healthier longer and have the effect of reducing our health care costs enormously.
- 4) **This legislation will NOT have a negative impact on the insurance industry in Michigan and Michigan Insurers will be able to implement it.** A recent national study³ and reports from three states where this legislation has been passed (California, Indiana⁴ and Texas⁵), all confirm that the impact on insurance rates has been and will be negligible.

¹ Critical Care Medicine, 2005 Jun;33(6):1266-71.; Daily cost of an intensive care unit day: the contribution of mechanical ventilation.; Dasta JF, McLaughlin TP, Mody SH, Piech CT., Source: The Ohio State University, Columbus, OH, USA.

² Critical Care Medicine; Critical Care Medicine in the United States 2000–2005: An Analysis of Bed Numbers, Occupancy Rates, Payer Mix, and Costs*; Neil A. Halpern, MD, FCCM; Stephen M. Pastores, MD, FCCM; Critical Care Medicine Service, Department of Anesthesiology and Critical Care Medicine, Memorial Sloan-Kettering Cancer Center, New York.

³ Milliman, Inc., January 25, 2010; Parity for Oral and Intravenous Injected Cancer Drugs, Kathryn Fitch, RN, Med; Kosuke Iwasaki, FIAJ, MAAA, MBA; Bruce Pyenson, FSA, MAAA.

⁴ Correspondence of Stephen W, Robertson, Acting Commissioner, Indiana Department of Insurance, August 23, 2010

Further, this legislation can be implemented. It is not reasonable to believe that insurers in Michigan are less capable than their colleagues in any other state. In none of the 15 states or the District of Columbia, where this type of legislation has been enacted, has the insurance industry or any of its member companies attempted to repeal or even modify it. In short, they have been able to implement it in those states and the bottom line is that it works for patients.

- 5) **It is the right thing to do.** We know from our experience in working with thousands of patients each and every day that this legislation will greatly enhance the medical care and the quality of life for thousands of patients in Michigan and for us that is the bottom line. We stand in support of this good legislation and urge you to do so as well. It is simply the right thing to do.

We appreciate the efforts of the bill sponsors of SBs 540-41 and HBs 5132-33 to bring this good legislation forward. We stand in support of this legislation and encourage you do so as well to support patients in Michigan. Thank you again for this opportunity.

Some additional facts about the National Patient Advocate Foundation and its parent organization, the Patient Advocate Foundation:

- Provides assistance to patients in regard to job retention, insurance appeals, Medicaid and Medicare access and appeals, disability issues, access to medications, and a great number of other issues that have an impact on the wellness, quality of life and effectiveness of medical treatment for thousands of patients.
- Approximately 70% of our patients have a cancer diagnosis and we assist many patients with collateral issues and chronic disease as well. We also serve many pediatric patients with many health problems including cancer diagnosis.
- In 2010, the Patient Advocate Foundation provided co-pay assistance to 13,848 patients nation-wide (a 49% increase over 2009) over 2,000 of those patients were in Michigan. In 2010, the Patient Advocate Foundation provided more than \$31 million in co-pay relief to patients across America.
- We would challenge any opponents of this good legislation to show the levels of support they have provided to patients who cannot afford their medications and who therefore have been unable to obtain them.

⁵ Texas Department of Insurance, August 2010; Patient Cost Disparity between Orally and Intravenously Administered Chemotherapies; Report on Senate Bill 1143, Section 3 81st Legislature, Regular Session, 2009