

TO: The Honorable Scott Schwab
House Insurance Committee

FROM: William W. Sneed, Legislative Counsel
America's Health Insurance Plans

SUBJECT: H.B. 2176

DATE: February 18, 2015

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I am Legislative Counsel for America's Health Insurance Plans ("AHIP"). AHIP is the national trade association representing the health insurance industry. AHIP members provide health and supplemental benefits to more than 200 million Americans through employer-sponsored coverage, the individual and small group insurance markets, and public programs such as Medicare and Medicaid. Members offer a broad range of health insurance products in the commercial marketplace and have also demonstrated a strong commitment to participation in public programs throughout the country. Please accept this memorandum as our opposition to H.B. 2176.

Prescription drugs are an important part of medical treatment. Under the Affordable Care Act (ACA), every health insurance policy must include a comprehensive "essential health benefits" package covering ten categories of services, including prescription drug coverage.

H.B. 2176 would mandate all health insurers to apply medication synchronization (MS). MS sets an individual's prescription refills on the same day of each month. It is the contention of the proponents of this bill that MS leads to better adherence to medications. Although such synchronizations may indeed be the appropriate program for some patients, creating a mandate that it must be provided to all patients, regardless of their situation, does not guarantee efficiencies and/or increase compliance.

Medication synchronization requires all of a patient's prescriptions to be dispensed on the same refill cycle, and all new prescriptions to be filled initially on a partial basis until they are synchronized with existing prescriptions. Customers are required to make an appointment each month to pick up their prescriptions, and can request or waive counseling with a pharmacist to review their therapies.

A few pharmacies have experimented with an approach to consolidating prescription deliveries to once monthly on an appointment basis. Advocates for this approach claim that it will improve patient adherence to their drug regimens. Pharmacies also note that it increases customer loyalty to the sponsoring pharmacy while increasing pharmacy revenues and lowering operating costs.

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While helpful for pharmacies, however, any evidence that medication synchronization helps patients with long-term medication adherence is limited and it has not been studied rigorously on a national scale.

Medication synchronization is not appropriate for most patients.

- Medication synchronization may make sense for the limited number of patients with several chronic conditions who take multiple drugs and have a high risk of medication error and overmedication. It is not, however, appropriate for all patients, including those who:
 - Have acute illnesses treated with short-term therapies;
 - Take specialty drugs requiring more frequent monitoring;
 - Are starting new therapies where medications and dosages are subject to change;
 - Have interruptions in drug therapy due to hospitalization or long-term care;
 - Work long hours or travel; or
 - Are working parents seeking medications for their children.
- Medication synchronization cannot be applied in skilled nursing facilities in which short-cycle dispensing of 14 days or fewer for brand solid oral dose drugs is mandated by the Affordable Care Act and Medicare regulations.
- Drug therapy for chronic disease is not static and often changes over time; medication synchronization is a rigid approach not easily modified to accommodate such changes.

Medication synchronization enhances pharmacy, not customer, convenience.

- Information about these programs emphasizes the cost savings, potential for revenue enhancement, and staff convenience for participating pharmacies.
- The pharmacy, not the customer, determines when it will fill prescriptions.
- Partial fills for new prescriptions may increase customer costs due to higher dispensing fees, or may disrupt patient's personal budgets if a large number of copays are due on the same day.
- Medication synchronization imposes severe limits on customer choice and convenience.

Medication synchronization is a "one size fits all" approach and is not appropriate for adoption as a statutory or regulatory requirement.

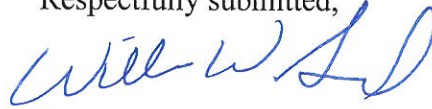
- Medication synchronization has limited application in a diverse market for pharmacy services.
- It has not been shown to be cost-effective, or ready for wide-scale adoption.
- It is an evolving undertaking requiring expert clinical judgment, and is not an appropriate subject for proscriptive legislation.

Based upon the foregoing, my client respectfully requests that this Committee not act favorably on H.B. 2176.

The Honorable Scott Schwab, Chair
House Insurance Committee
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I am available for questions at your convenience.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Will W. Sneed", is written over the typed name.

William W. Sneed

WWS:kjb