

Sneed Law Firm, LLC

Memorandum

To: The Honorable Vicki Schmidt, Chair
Senate Public Health and Welfare Committee

From: William W. Sneed, Retained Counsel
America's Health Insurance Plans

Date: February 13, 2017

RE: SB 82

Madam Chair, Members of the Committee: My name is Bill Sneed and I am Retained 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 commerce marketplace and have also demonstrated a strong commitment to participation in public programs throughout the country. Please accept this memorandum as my client's opposition to SB 82.

We oppose this bill because it would seriously diminish the effectiveness of step therapy programs because it requires some pretty broad criteria for skirting them. Step therapy programs are useful not only because they save money, but also because they enhance safety.

Step therapy protocols are utilized by many insurers to ensure that patients begin drug therapy for a medical condition with the most cost-effective and safest drug before progressing to other costlier or riskier therapy. Step therapy protocols are often developed using U.S. Food and Drug Administration (FDA) guidelines, clinical evidence and research. Recent legislative efforts to impose overly prescriptive clinical criteria on step therapy protocols would hinder the use of this important tool and limit its effectiveness.

Below are several specific points that we contend demonstrate the flaws in SB 82.

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Date 2.13.17

Attachment 19-1

1. Section (1)(c)(2)(C), page 3, line 29, deals with having failed on the drug previously. If this section is included, something needs to be added to make sure the plan actually has the information from the previous plan and gets an opportunity to review the documentation.

2. Section (1)(c)(2)(D), page 3, line 34, is too broad and vague. The language appears to be so open-ended it will only add confusion to the process.

3. Section (1)(c)(2)(E), page 3, line 36, is the same issue as (c) above with the added issue of what does "stable" mean?

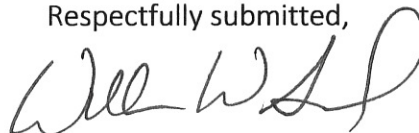
4. Section (1)(c)(3), page 3, line 39, it appears that there may be language missing so that it is not assumed that it is an open-ended authorization.

5. Section (1)(c)(4), page 3, line 42. The timeframes are not consistent with initial determination and appeals timeframes. We believe plans typically have more time for non-urgent initial determinations and appeals, and more time for urgent initial determinations and appeals.

In summary, we contend that SB 82 is overly broad and not in the best interest of the patients. Therefore, we request that the Committee not act favorably on SB 82.

I am available for questions at your convenience.

Respectfully submitted,



William W. Sneed