



**House Health Committee**  
**Wednesday, March 22, 2017**  
**Testimony of Miranda Creviston Motter**  
**President and CEO, Ohio Association of Health Plans**

On behalf of the Ohio Association of Health Plans (OAHP), thank you for the opportunity to provide testimony on House Bill 72.

The Ohio Association of Health Plans (OAHP) is the state's leading trade association representing the health insurance industry. OAHP's member plans provide health benefits to more than 9 million Ohioans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare, Medicaid and the Federal Insurance Marketplace. Our members offer a broad range of health insurance products to Ohioans in the commercial marketplace and are committed partners in public programs.

House Bill 72, as currently drafted, would mandate a specific step therapy protocol, while also dictating when a health plan must grant an exemption from that step therapy protocol.

Step therapy programs are valuable tools used by insurers to ensure that the safest, most cost-effective drugs are used before having to turn to riskier and more costly pharmaceuticals. These tools are especially important in today's health care landscape, as prescription drug costs continue to soar. For more than a year, stories of pharmaceutical companies increasing prices for both new and old, brand and generic drugs, have become mainstays in news cycles across the country. From EpiPens and naloxone to insulin and muscular dystrophy drugs and many more, rising and erratic drug pricing is adding to the overall cost of health care in the United States and placing undue burden and uncertainty on purchasers of health insurance. Unfortunately, these stories of overnight, astronomical drug increases are becoming the norm rather than the exemption.

One of HB 72's primary objectives is to allow patients the ability to access more expensive drugs. OAHP agrees that something must be done to ease the unpredictable financial burdens placed on Ohio's health care consumers.

However, legislation that erodes the use and credibility of important utilization tools actually threaten to increase - not decrease - health care costs for Ohioans. In 2010, nearly 60 percent of commercial payers reported having one or more step-therapy programs, in addition to Medicare Part D and the many state Medicaid programs that also utilized such protocols. The Congressional Budget Office has indicated that, in the absence of common utilization techniques, such as step therapy, insurance premiums will rise approximately 5 - 10 percent in comparison to where they are now. Furthermore, drug spending is expected to grow from \$337 billion in 2015 to \$560-590 billion in 2020. The drastic and unpredictable nature of pharmaceutical pricing makes utilization tools that much more important in today's health care landscape.

Aside from relieving individuals and families of the financial burden associated with certain drug regimens, step therapy also ensures patient safety. Step therapy programs administered by Ohio's health plans are developed in alignment with FDA guidelines and clinical evidence. These programs encourage providers and patients alike to pursue evidence-based treatments that gauge a patient's response to less dangerous drugs before transitioning them to more potent - and potentially harmful - medications. Step therapy is especially beneficial when it comes



to potentially addictive and abused drugs. At a time when Ohio sits at the forefront of the nation's opiate crisis, it is important that we carefully consider the medications that we prescribe and distribute. Step therapy protocols provide insurers with an avenue to provide enhanced disease management while reducing overmedication and running risk of exposing individuals to highly addictive drugs. Legislation that weakens step therapy and utilization review programs runs counter to the important work that is being done to curb the abuse of and potential addiction to dangerous drugs.

To help the General Assembly address concerns around the affordability and access to expensive drugs, OAHP would like to offer two alternative approaches to consider.

First, drug price transparency might be a more meaningful solution to achieving this objective. Over the last two years, at least ten states have introduced legislation to require some sort of drug price disclosure. The idea is simple - purchasers of health care deserve to know the facts behind the high-priced prescription drugs that contribute to their overall health insurance costs. When a drug's price increases dramatically over a short period of time (as was the case with the EpiPen and the muscular dystrophy drug, Deflazacort), the manufacturer should be required to disclose the rationale behind the jump in cost.

Second, and similarly, OAHP believes that Ohioans will have access to more affordable drugs only when those drugs are in fact more affordable. Instead of eroding step therapy tools, which actually serve Ohioans from a financial and safety perspective, perhaps we should simply require drugs to be more affordable. Here, manufacturers could be required to provide their more expensive drug at the same cost as the less expensive, "fail-first" drug.

I ask that as you deliberate on this bill, that you thoughtfully consider the many ways in which step therapy programs benefit Ohioans in regard to their overall health and health care costs. And, ultimately, we urge you to vote against this bill's approach to do that.

The Ohio Association of Health Plans and its member plans stand ready to work with state policymakers to achieve the shared goal of enacting health care reforms that lower costs and improve quality for all Ohioans.

Again, thank you for the opportunity to testify on behalf of OAHP. I am happy to respond to any questions you might have.