

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
HEALTH, LONG-TERM CARE & HEALTH RETIREMENT ISSUES COMMITTEE
WASHINGTON, D.C.
MARCH 8, 2013
MINUTES

The National Conference of Insurance Legislators (NCOIL) Health, Long-Term Care & Health Retirement Issues Committee met at the Hyatt Regency on Capitol Hill in Washington, D.C. on Friday, March 8, 2013, at 10:30 a.m.

Sen. Jake Corman of Pennsylvania, chair of the Committee, presided.

Other members of the Committee present were:

Rep. Greg Wren, AL	Sen. David O'Connell, ND
Rep. Greg Cromer, LA	Rep. Brian Kennedy, RI
Sen. Dan Morrish, LA	Rep. Charles Curtiss, TN
Sen. Joe Hune, MI	Rep. Bill Botzow, VT
Rep. Pete Lund, MI	Sen. Mike Hall, WV
Rep. George Keiser, ND	

Other legislators present were:

Sen. William Haine, IL	Sen. Jim Marleau, MI
Rep. Matt Lehman, IN	Rep. Margaret O'Brien, MI
Rep. Joseph Fischer, KY	Rep. Don Gosen, MO
Sen. Ronnie Johns, LA	Sen. Norman Sanderson, NC
Rep. Jane Pringle, ME	Rep. Michael Henne, OH
Rep. Kevin Cotter, MI	Rep. Michael Stinziano, OH
Rep. Tom Leonard, MI	

Also in attendance were:

Susan Nolan, Nolan Associates, NCOIL Executive Director
Candace Thorson, Nolan Associates, NCOIL Deputy Executive Director
Ed Stephenson, Nolan Associates, NCOIL Director of Legislative Affairs–DC
Eric Ewing, Nolan Associates, NCOIL Director of Legislative Affairs

MINUTES

Upon a motion made and seconded, the Committee unanimously approved the minutes of its November 17, 2012, meeting in Point Clear, Alabama.

ORAL CHEMOTHERAPY COVERAGE APPROACHES

Dr. David Lassen, Chief Clinical Officer of Prime Therapeutics, reported that in 2012 over \$244 million was spent on oral chemotherapy. He stated that figures from Prime Therapeutics show that cost of a thirty-day prescription for oral chemotherapy averages at \$100 to \$130. He added that usage of orally-administered drugs is increasing by four to five percent every year. He said that oral chemotherapy agents represent three percent of all prescriptions on the pharmacy side, yet the same drugs represent less than one-tenth of a percent of all insurance claims.

Dr. Lassen stated that differences in outcomes between intravenous and oral treatments depend on the diagnosis, tumor type and stage of cancer. He noted, however, that available data often fails to distinguish between intravenous and oral treatments. Dr. Lassen stated that Prime Therapeutics studied oral chemotherapy usage and found that at a cost of \$200 per thirty day supply there was a twenty percent increase in abandonment of care. He said

that the twenty percent rate of abandonment disappears if the prescription cost drops to \$100 or less per thirty day supply.

Dr. Lassen stated that insurance companies had previously placed oral chemotherapy drugs in expensive “fourth” tiers—that also feature high coinsurance—but that this industry model has recently begun to self-correct. He noted that states in which parity legislation exists have higher total prescription drug costs, largely driven by increased utilization.

In response to a question by Rep. Cromer regarding drugs currently in development, Dr. Lassen estimated that 40 to 50 percent of new chemotherapy regimens are orally-administered. In further discussion relating to the efficacy of oral chemotherapy drugs, Dr. Lassen commented that in many cases oral chemotherapy is treated as a secondary method to be used in the event that intravenous treatment fails.

Rep. Cromer then asked if there was any data available related to the percentage of insurance companies that do not designate oral chemotherapy agents as fourth-tier drugs. Dr. Lassen replied fourth-tier classification was standard practice for health insurers four or five years ago, but those insurers are now differentiating within drug classes as a method of cost reduction.

RESOLUTION ON DISCONTINUED INSURANCE PLANS

Dianne Bricker of America’s Health Insurance Plans (AHIP) commented that final market regulations implementing the Affordable Care Act (ACA) will mitigate concerns related to closed blocks. Ms. Bricker added that beginning this summer legislators can expect to see federal agencies launch public education efforts, including information on discontinued health plans. She characterized the resolution before the committee as building upon existing educational efforts.

NCOIL President Rep. Charles Curtiss, who sponsored the resolution, commented that if ACA implementing regulations resolves the majority of concerns regarding discontinued plans then it would suffice for the Committee to pass the resolution and table any planned discussion of model legislation at this meeting. Rep. Curtiss said his only concern was that not all cases of discontinued insurance plans would be addressed by the ACA, but that if it was a small enough number the Committee would have time to further examine the issue later in the year.

Upon a motion by Rep. Curtiss the Committee unanimously agreed to waive the bylaws-required 30-day deadline and allow consideration of the resolution.

Rep. Curtiss then moved to adopt the resolution. Upon a second the resolution was unanimously approved by the Committee.

RESOLUTION ON HEALTH EXCHANGE NAVIGATORS

Lynn Quincy of the Consumers Union described navigators as existing members of local communities who will distribute impartial information related to health exchanges. She said that examples of possible navigators include church groups, small business associations, farmers’ associations or community clinics. She commented that she would like to arm consumers with as many sources of assistance as possible. She said that navigators cannot perform their role if they are prohibited from offering advice on health plans or engaging in similar activities.

Ms. Quincy argued that the proposed resolution would have a chilling effect on entities that consider applying to become navigators. She characterized the effect of the resolution as a

blurring of the line between recommending a specific plan and providing robust advice. She described licensing requirements proposed in the resolution as potentially duplicative of federal requirements. She commented that the resolution does not provide guidance to states wishing to enact their own licensing, credentialing or training procedures.

Wes Bissett of the Professional Independent Agents Association (PIAA) commented that many of the navigators will lack insurance experience or expertise. He said that there would be large consequences should navigators fail to properly inform consumers. Mr. Bissett noted that navigators will have access to sensitive personal information. He cautioned legislators that a regulatory vacuum may exist unless states take action to regulate navigators. He commented that establishing licensing requirements is the only way that states can exert their authority over navigators.

Pamela Mitroff of the National Association of Health Underwriters (NAHU) concurred with Mr. Bissett's comments and urged members of the Committee to support the resolution.

Sen. Hall asked Ms. Quincy if she would agree that navigators need some form of training, given the complexities of the insurance system. Ms. Quincy agreed that navigators would need additional training and said she applauded states' efforts to assist consumers, but questioned whether the resolution provided an appropriate balance between protecting consumers and regulating navigators. Rep. Keiser, who sponsored the resolution, commented that if anyone who wanted to could become a navigator then states would be asking for trouble. He said the purpose of the proposed resolution is to bring attention to the issue of navigators.

Upon a motion by Rep. Keiser the Committee opened up the resolution for discussion. Rep. Lund asked Rep. Keiser if he interpreted the resolution as encouraging states to enter a federal health exchange if they have not done so already. Rep. Keiser replied that states need to act because they are responsible for overseeing navigators whether they participate in a federal exchange or not.

Rep. Kennedy informed the Chair that he would offer the following amendment to the preamble:

WHEREAS, consideration of veterans for training and certification for the navigator positions could quickly mobilize this effort while leveraging the highly skilled and qualified veterans workforce; and

He also offered the following language as an additional "now, therefore be it resolved" section:

Now, therefore be it resolved that the National Conference of Insurance Legislators urges states to enact a licensing framework and regulatory regime for navigators and similar assistants that encourages the use of veterans for navigator positions

Upon a motion by Rep. Kennedy the Committee unanimously agreed to waive the bylaws-required 30-day deadline and allow consideration of the amendment.

Rep. Kennedy then moved to adopt the amendment, and upon a second the Committee approved the amendment unanimously.

The Committee, with the exception of Rep. Botzow, then voted to adopt the resolution as amended.

MENTAL HEALTH PARITY MODEL FOR SUNSET/RE-ADOPTION

Sen. Corman announced that due to time constraints, the Committee would defer a bylaws-required review of the *Mental Healthy Parity Model Act* to the Summer Meeting.

ADJOURNMENT

There being no other business, the committee adjourned at 11:30 a.m.