**Testimony of Victoria Veltri**
**State Healthcare Advocate**
**Before the Insurance and Real Estate Committee**
**In support of SB 21 & SB 24**
**February 5, 2015**

Good afternoon, Representative Megna, Senator Crisco, Senator Kelly, Representative Sampson, and members of the Insurance and Real Estate Committee. For the record, I am Vicki Veltri, State Healthcare Advocate with the Office Healthcare Advocate ("OHA"). OHA is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

I would like to thank you for the opportunity to comment on SB 21, An Act Concerning Health Insurance Coverage of Abuse-Deterrent Opioid Analgesics and SB 24, An Act Establishing Standards and Requirements for Insurers' Drug Formularies, Requiring Disclosure of Certain Health Insurance Plan Information for Consumer Comparison Purposes, and Requiring the Connecticut Health Insurance Exchange and the Insurance Department to Evaluate Health Insurers' Compliance with the Affordable Care Act.

SB 21 is a very important measure to promote and preserve equitable consumer access to appropriate treatment options, as well as address the growing problem in our state and nation of substance abuse and addiction to opioid drugs.

Nearly 120 million Americans struggle to manage their chronic pain[1], with an estimated annual cost of $635 billion in both medical costs and decreased work productivity.[2] Opioid analgesics are a highly effective treatment option for these individuals. However, the risk for abuse of these medications is significant. Rates of drug abuse in our nation quadrupled between 1990 and 2000, and the rate of deaths due to drug abuse more than doubled from 1999 to 2013.[3]

In response, the pharmaceutical industry continues to develop products that provide the analgesic benefits of opioid products while incorporating abuse-deterrent elements into these new products. The promise of these medications is that people may receive effective pain relief while minimizing the risk of resulting addiction to the opioid.

SB 21 acknowledges the benefits of this treatment approach while promoting equitable and affordable consumer access to these medications that is no more burdensome than coverage for non-abuse deterrent opioids. Although insurers may cover recently FDA approved abuse deterrent opioid in their formularies, that coverage may be subject to different cost sharing requirements than are required for non-abuse deterrent opioids. A review of AHCT QHP plan documents for several 2015 plans identified five abuse deterrent opioids, but confirmed this variation in coverage. While many insurers will include FDA approved abuse deterrent opioids, they are often categorized as Tier 4, which has the highest cost sharing for consumers, up to 50% of cost versus a flat co-pay, while the insurer reviews the literature concerning the drug's application and efficacy, often a lengthy process.

This significant difference in cost may preclude an individual from continuing their course of treatment for their chronic pain with an opioid that has abuse deterrent properties, but instead drive them to use a non-abuse deterrent opioid for treatment, increasingly the risk of abuse and addiction, with all of the associated health, social and economic impacts. What SB 21 does is promote access to these abuse deterrent opioids, a concept that has been championed by the FDA, CDC, SAMHSA, as well as two of the pharmaceutical industries largest trade groups[4] and the members of the U.S. Senate[5].

SB 24 extends this concept by requiring insurers to provide affordable access to medications throughout a plan year. Requiring coverage of medications at lower cost-sharing tier merely ensures that consumers may receive treatment for their medical condition, but permits flexibility in insurer's formulary if less costly, therapeutically equivalent medications are also available. The prohibition on insurer changes to

their drug formularies during a policy year further promotes this premise and enhances transparency. However, new medications are continually entering the market, and as long as such addition does not result in the removal of or shifting of any medications to higher cost tiers, permitting the addition of new medications into insurer formularies during the plan year promotes quality of care and provides consistency for consumers. As we have seen the cost of healthcare increasingly shifting to consumers, plan selection will often involve and evaluation of the expected costs of that care throughout the plan year. Consumers must not only account for the premiums when assessing the affordability of a plan, but also the cost sharing and availability of any medications or services that they know they will need to utilize. Changing these terms and cost-sharing during a plan year could adversely impact a consumer's ability to afford the necessary care. Prohibiting formulary changes midyear would accomplish this goal, but may also stifle quality care initiatives and access to care if new products could not be included until the next plan year.

SB 21 and SB 24 are simple concepts that have the potential for dramatic benefit to consumers in need of pharmaceutical therapeutic intervention by ensuring equitable, affordable and responsive access to the most appropriate treatment, and I wholeheartedly support them.

Thank you for providing me the opportunity to deliver OHA's testimony today. We look forward to continuing to collaborate and advocate for the consumers of Connecticut in this important matter.
If you have any questions concerning my testimony, please feel free to contact me at victoria.veltri@ct.gov.

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1 http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3411218/" \l "b1-ptj3707412

2 http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3411218/" \l "b1-ptj3707412

3 http://www.cdc.gov/homeandrecreationalsafety/overdose/facts.html

4 http://raps.org/Regulatory-Focus/News/2015/01/20/21120/Should-FDA-Pull-Non-Abuse-Deterrent-Generic-Opioids-off-the-Market-PhRMA-Bio-Say-Yes/

5 http://www.raps.org/regulatoryDetail.aspx?id=18578