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Statement of LuGina Mendez-Harper, Pharm.D., R.Ph.  
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Senate Bill 304  
Senate Public Health and Welfare Committee  
February 15, 2018

Chairwoman Schmidt, Vice Chair Bollier, and Committee Members:

Thank you for the opportunity to submit written comments and speak with you today.

My name is Dr. LuGina Mendez-Harper. I am a pharmacist with Prime Therapeutics and a proud graduate of the University of Kansas College of Pharmacy.

Prime Therapeutics is a non-profit pharmacy benefit manager (PBM) owned by 17 Blue Cross Blue Shield plans including Blue Cross Blue Shield of Kansas (BCBS-KS).

I am here today to respectfully oppose Senate Bill 304 because it provides an avenue to easily circumvent step therapy and the result will be higher drug costs for insurance plans and out of pocket costs for patients. This legislation will raise health care costs for Kansas citizens with no benefit to anyone except the pharmaceutical manufacturers.

Step therapy programs are clinically-based, cost-effective programs used by insurers to have enrollees use existing, highly effective and safer medications before "stepping up" to new high-cost medicines. This bill provides various avenues to circumvent step therapy. The result will be higher drug costs for insurance plans and out of pocket costs for patients.

- These programs are designed to encourage more appropriate use of medicines especially those medicines that are prone to abuse, misuse, or are costly.
- These programs are in place to hold down out of pocket medicine costs for Kansas citizens and drug costs for insurance plans.

Restrictions on step therapy can be detrimental to patient safety

- Step Therapy encourages prescribers and patients to undertake a more evidence-based measured approach to treatment by gauging a patient's response to less harmful medications before graduating to more potent or high-risk high-cost drugs.
- Step Therapy may also be used to reduce the risk of overmedication, prescription drug abuse, and addiction

This bill is an invitation for drug manufacturers to raise prices and to influence healthcare decisions.

- Specific bill provisions would require coverage of high priced brand name medicines without regard to cost.
- The bill requires P&T committees tasked with creating clinically-based step therapy programs to accept be open for public comment. This would expose them to influence from the pharmaceutical industry.
- CMS has specific requirements regarding the qualifications and professions on P&T committees.

This bill has been pushed nationally in several states by drug manufacturers to favor more expensive, brand name medicines

- Drug manufacturers spent \$38.7 million to market their medicines to Kansas prescribers between 2013 and 2016.<sup>1</sup>

Prime reviewed BCBS-KS step therapy utilization management claims in 2017. Step Therapy saved BCBS KS approximately \$11.6 million in FY 2017

- These savings are passed to the consumer as lower premiums and cost shares.

We have other specific concerns with the bill such as:

- Step therapy may involve the use of multiple medicines from different pharmacologic classes or similar mechanisms of action.
- Pharmaceutical manufacturers may use samples or coupons to “stabilize” patients on medicines whose high cost would be passed along to health plans and patients.
- Language indicating this bill will not prevent trying an AB-rated generic equivalent does not account for biosimilar medicines or multi-source generics.
- It will be important for prescribers to provide clinically appropriate documentation for use of requested medicines outside step therapy programs.

Step therapy programs have an accepted place in our health care system and are a critical tool used to ensure Kansas citizens have access to sustainable, affordable health care benefits. This bill would render this tool useless, will benefit the pharmaceutical industry, and will have the unintended consequence of raising health care costs for Kansas citizens. Therefore, we respectfully oppose this bill.

Please let me know if you have any other questions.

Thank you.

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<sup>1</sup> <https://openpaymentsdata.cms.gov/>