

Testimony In Support of HB 821

Submitted to House Select Committee on Step Therapy
Representative David R. Lewis, Chair

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Chairman Lewis and Members of the Committee,

On behalf of the North Carolina Rheumatology Association and the Coalition of State Rheumatology Organizations, thank you for the opportunity to provide testimony on HB 821, relating to the Proper Administration of Step Therapy in North Carolina.

The issue of step therapy is one faced by rheumatologists and other physicians across the country. Nationwide, step therapy or fail-first is becoming a larger issue as we see more and more insurance companies using these policies as a cost control measure. As of just 2013, step therapy was a part of at least 75% of major employer healthcare plans. Without proper controls on these practices, we have even seen harsher requirements such as 5+ steps or hundreds of days of unnecessary step duration.

Here in North Carolina there is no exception. As a practicing physician in Wilmington, NC, I see patients every day who are subjected to these protocols. GIVE PERSONAL EXAMPLE

In a climate where we already face a growing shortage of physicians, step therapy protocols are extremely burdensome on the function of our office and take away valuable time that could be used to see additional patients. Research has shown that for a medical practice to administer insurance each year, the average physician spends a total of almost three weeks a year interacting with health plans, while 23 weeks of nursing staff time and 44 weeks of clerical staff time are required. The national time cost to practices of interactions with health plans is estimated between \$23 billion to \$31 billion annually.

In addition, step therapy protocols prevent patients from receiving timely medical attention by often forcing them to fail on unnecessary medications that may not even be appropriate or safe for their condition. Currently, patients in our state are not even given basic, common sense exceptions to step therapy policies. For example, a patient who has previously used a drug that failed to work can be forced to step through that drug again.

This is why the passage of HB 821 is very important to our state. HB 821 is a common sense approach to provide reasonable measures that will improve patient care without eliminating

the original purpose behind step therapy protocols. This bill would offer pathways for physicians to make reasonable decisions about the care their patients should be receiving.

The provisions contained in HB 821 set the groundwork for basic regulations that will protect a patient's ability to receive appropriate care. These provisions define how step therapy can be implemented with appropriate medical oversight and offer safe pathways for patients and doctors to quickly override step therapy protocols when necessary.

While opponents may protest that this bill will increase costs, it is important to note that HB 821 does not prohibit the use of step therapy. The narrow exception requests provided in this bill would be backed by clinically supported documentation and would only apply to patients where the alternative drug is known or expected to have harmful results.

Physicians recognize that this legislature must be concerned with the need for cost saving measures within healthcare. However, when left unchecked, fail-first policies create significant negative outcomes for patients, and often increases the cost to states and the healthcare system due to worsening patient conditions from delayed or inappropriate treatment.

I know and my colleagues know that when it comes to dealing with progressive, debilitating disease like the ones we face in rheumatology, the most expensive drug for our patients is the wrong drug. HB 821 offers much needed and straightforward guidelines that regulate the usage of step therapy, without restricting healthcare plans from utilizing this measure.

Respectfully submitted,

Gregory Schimizzi, MD