

September 8, 2017

Shelly Rouillard, Director
California Department of Managed Health Care
980 9th Street, Suite 500
Sacramento, CA 95814-2725
stakeholder@dmhc.ca.gov

RE: Senate Bill 1052 Rulemaking

Dear Director Rouillard,

On behalf of the 5.9 million adults and 38,000 children in California with doctor-diagnosed arthritis, the Arthritis Foundation welcomes the opportunity to comment on the proposed rulemaking regarding standardized formularies. The Arthritis Foundation was supportive of Senate Bill 1052 when it went through the legislative process, including sending letters and organizing patients to testify during hearings.

Transparent drug formularies allow patients to better select the insurance plan that most effectively meets their needs. A transparent formulary would give patients access to information on medication coverage, out-of-pocket costs such as coinsurance, coverage limits, prior authorization requirements and step therapy protocols.

People with substantial prescription medication needs – especially those living with chronic conditions such as rheumatoid arthritis (RA) – must be able to access this information so they can select the most appropriate health insurance plan. Formulary transparency and adequacy make it easier for those with serious conditions to choose a plan that will cover the prescription medications they need. The Arthritis Foundation believes this is an important issue for patients and everyone in the health care system. Without access to information in the standardized formulary, patients could make decisions that are counterproductive to their care. Ill-informed decisions, which would be avoided as a result of standardized formularies, could lead to a patient losing access to the medication they have relied on to stabilize their condition. Consequently, the patient could experience worsening of disease while they navigate the process to try and get the medication they need, or try other medications that may or may not work. This ultimately leads to more doctor's visits, and could lead to hospitalizations and emergency room visits. Thus, further costs will be added to the health care system than if the patient had the correct information at the very start to choose the right health plan.

Frequency Of Update

Section (d)(8) states that, "notice that the health care service plan must update the formulary with changes on a monthly basis." The Arthritis Foundation recommends that the Department of Managed Healthcare maintain a web-based formulary that is updated within 72 hours of changes and printed

disclosures that are updated every three months. If updates are added as they occur rather than on a monthly basis, patients will have timely information that would be able to help them guide their care and avoid interruptions that could lead to harm. In addition, the date of the change should be displayed in a location easily found by the patient.

Notice To Patient Regarding Step Therapy And Prior Authorization Timelines

The Arthritis Foundation is supportive of ensuring that patients are aware of the timelines for utilization management tools such as step therapy and prior authorization. Sections (d)(10-13) require that the description "shall state that if a health care service plan fails to respond to a completed prior authorization request within 72 hours of receiving a nonurgent request and 24 hours of receiving a request based on exigent circumstances, the request is deemed approved." In addition, this section requires notice of the patient's rights regarding step therapy. Transparency regarding step therapy requirements clearly informs patients regarding their rights. This enables a patient to be a better advocate for their care.

As the organization that sponsored step therapy legislation in 2015 (Assembly Bill 374 & now Section 1367.244 of the Health and Safety Code as well as Section 10123.197 of the Insurance Code), we appreciate the Department of Managed Health Care's inclusion of step therapy and prior authorization rights.

Conclusion

Thank you for this opportunity to present comments regarding this issue which is crucial to patients. As this process continues, the Arthritis Foundation is willing to offer our resources and the patient voice.

Thank you for your consideration. Please contact Arthritis Foundation State Advocacy Director Steven Schultz at sschultz@arthritis.org with questions or for further information.

Sincerely,



Anna Hyde
Vice President, Advocacy and Access
Arthritis Foundation