

Cancer Drug Coverage and Transparency in Alabama Marketplace Plans 2016



In 2014¹ and 2015,² the American Cancer Society Cancer Action Network (ACS CAN) analyzed coverage of cancer drugs in the health insurance marketplaces created by the Affordable Care Act (ACA) and found that transparency of coverage and cost-sharing requirements were insufficient to allow cancer patients to choose the best plan for their needs. For the 2017 plan year,³ we updated our previous research, examining coverage of 22 cancer drugs (including 8 drugs which are exclusively intravenously (IV) administered drugs) across silver plans sold in six marketplaces – Alabama, California, Colorado, Nevada, New Jersey and Texas. In total, we looked at 33 silver plan formularies – including one formulary for plans sold in Alabama⁴ – and found that coverage transparency has improved somewhat from our previous research, but significant barriers remain for cancer patients. The following provides a snapshot of our research with respect to silver plans sold on the Alabama marketplace.

Formulary Transparency

When shopping for health insurance coverage, it is important for consumers – particularly cancer patients – to review a health insurance plan’s formulary to determine whether the plan covers the prescription drugs the individual needs. Ideally, a plan’s formulary should be keyword searchable so that the consumer can more easily find whether the plan covers her drug and if so what her cost-sharing would be. Alabama plans are sold on the Federally-facilitated Marketplace (FFM) website where links to each plan formulary are provided under the “plan details” section. The formulary and tiering information on healthcare.gov should match the formulary and tiering information on individual plan formularies. While the formulary was keyword searchable, the number of tiers listed on the formulary was inconsistent with the number of tiers listed on healthcare.gov, for plans affiliated with the formulary. Specifically, healthcare.gov listed 4 tiers in the drug coverage information for the plan, while the actual formulary linked to healthcare.gov listed 6 tiers.

	Alabama	Total Average Across States Examined
Percentage of formularies that were keyword searchable	100%	100%
Percentage of formularies for which cost-sharing tiers listed didn’t match Marketplace website	100%	27%

¹ https://www.acscan.org/sites/default/files/Marketplace_formularies_whitepaper.pdf.

² <https://www.acscan.org/policy-resources/acs-can-examination-cancer-drug-coverage-and-transparency-health-insurance>.

³ INSERT LINK TO WHITE PAPER WHEN PUBLISHED.

⁴ For plan year 2017, Alabama had only one silver plan available in its exchange.

It is important for formulary information to be transparent to consumers to ensure consumers get access to accurate information. Direct links to plans' formularies are ideal because when consumers have to go through multiple clicks to find a plan's formulary, it not only becomes a more cumbersome process, but also increases the chance of broken links and consumer error.

	Alabama	Total Average Across States Examined
Percentage of Formularies with direct link	100%	48%
Percentage of formularies with broken link	0%	12%
Average number of clicks for non-direct or broken links	N/A ⁵	2.88

Cost-Sharing Tier Placement

Formularies have different tiers -- the higher the tier, the more the individual will pay for the drug. Our analysis found that overall, most cancer drugs were placed on the highest cost-sharing tier. However, silver plans sold in Alabama appeared to deviate from this trend with only one drug (Gleevac) being placed on the highest cost sharing tier (6th tier) of the plan's formulary. The highest tier is assigned a 30 percent coinsurance. Of the other drugs we examined, all but one were placed on the second highest tier (5th tier) which is assigned a \$250 copayment. Although the 5th tier copayment may not be affordable for all enrollees, it is more predictable and likely more affordable than if the drugs were placed on the highest tier with a 30% coinsurance.

<i>Among formularies covering each drug, percentage providing coverage on the highest cost-sharing tier</i>	Alabama	Overall Average Across States Examined
Gleevac	100%	81%
Votrient	0%	90%
Xalkori	0%	90%
Zelboraf	0%	90%
Mesylate (generic)	0%	62%
Inlyta	0%	62%
Revlimid	0%	88%
Sutent	0%	85%
Tarceva	0%	91%
Tykerb	0%	91%
Zykadia	0%	87%

⁵ In our analysis, of the plans we analyzed all of the formularies contained direct links. The silver plan in Alabama did not have broken or non-direct links.

Drug Coverage

Overall, we examined the extent to which plans covered 22 cancer drugs we selected. We selected these drugs to provide coverage for a wide range of cancers and to investigate a mix of oral and IV drugs. Eight of our selected drugs are available exclusively intravenously (IV). In general, IV drugs frequently are covered under a health plan's medical, rather than prescription drug benefit. Consistent with our previous studies, we found that IV drugs frequently are not listed on prescription drug formularies. None of the eight IV drugs were listed on the plan's formulary. This lack of coverage information makes it very difficult if not impossible for patients to find out whether their IV drugs are covered, prior to buying a plan.

<i>Coverage of IV medications</i>	Alabama	Overall Average Across States Examined
Arzerra	0%	24%
Empliciti	0%	3%
Keytruda	0%	24%
Opdivo	0%	9%
Taxol	0%	0%
Avastin	0%	15%
Herceptin	0%	18%
Rituxan	0%	64%

To further examine whether a prospective enrollee could find coverage and cost information for IV drugs, we called the customer service number for the only silver plan operating in the exchange in Alabama and attempted to obtain information regarding the plan's coverage of two drugs (Taxol or Herceptin), which are more likely to be covered under a plan's medical benefit. The customer service representative with whom we spoke was unable to tell us whether the plan provided coverage for either drug. The representative was also unaware of the distinction between drugs covered under the medical benefit versus the prescription drug benefit. We also examined online formularies and the drug look-up tool for a silver and gold BlueCross and BlueShield of Alabama plan and could not find any IV administered drugs listed.⁶

⁶https://www.myprime.com/content/dam/prime/memberportal/forms/AuthorForms/IVL/2017/2017_AL_6T_Source+Rx_1.0.pdf