

# Cancer Drug Coverage and Transparency in Colorado Marketplace Plans 2016



In 2014<sup>1</sup> and 2015,<sup>2</sup> 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,<sup>3</sup> 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 6 formularies for plans sold in Colorado – and found that coverage transparency has improved somewhat since 2015, but significant barriers remain for cancer patients. The following provides a snapshot of our research with respect to plans sold on the Colorado 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. In Colorado, we examined six formularies for most<sup>4</sup> silver plans sold in the state. Colorado plans are sold on the state-based marketplace website. The website provides an integrated prescription drug formulary search tool. Consumers can input specific prescription drugs and see, during window shopping, whether participating plans cover those medications. (The cost-sharing tier on which the drug has been placed is not indicated.) While this tool is very helpful to consumers, there were other areas of formulary transparency that could be improved such as making sure the number of tiers listed on a formulary match the number of tiers listed for that formulary, on the state marketplace website.

	Colorado	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	33%	27%

<sup>1</sup> [https://www.acscan.org/sites/default/files/Marketplace\\_formularies\\_whitepaper.pdf](https://www.acscan.org/sites/default/files/Marketplace_formularies_whitepaper.pdf).

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

<sup>3</sup> INSERT LINK TO WHITE PAPER WHEN PUBLISHED.

<sup>4</sup> Although seven insurers are participating on the Colorado marketplace in 2017, the online formulary for Colorado Choice Health Plans was not operational at the time of review and is therefore excluded from this analysis.

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.

	Colorado	Total Average Across States Examined
Percentage of Formularies with direct link	33%	48%
Percentage of formularies with broken link	17%	12%
Average number of clicks for non-direct or broken links	3	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 most cancer drugs were placed on the highest cost-sharing tier. The placement of all or nearly all cancer drugs on the highest cost-sharing tier, including generics, in many plans appears not to be designed to encourage the use of cheaper or more effective alternatives, but to extract the maximum patient cost-sharing for all cancer drugs. For example, the generic for Gleevac, Imatinib Mesylate, was placed on the highest cost sharing tier in 50% of formularies examined in Colorado. Additionally, one formulary placed both the brand and generic version of Gleevac on the highest cost sharing tier. This could be an example of adverse tiering, where insurers place all medications that treat a disease on the most expensive tier, to discourage those with the disease, from buying the plan.

<i>Among formularies covering each drug, percentage providing coverage on the highest cost-sharing tier</i>	Colorado	Overall Average Across States Examined
Gleevac	50%	81%
Imatinib Mesylate (oral, generic)	50%	62%
Etoposide Phosphate (oral,IV, generic)	17%	41%
Votrient	75%	90%
Xalkori	80%	90%
Zelboraf	80%	90%
Inlyta	100%	62%
Revlimid	83%	88%
Sutent	83%	85%
Tarceva	83%	91%
Tykerb	80%	91%
Zykadia	75%	87%

## Coinsurance versus Copayments

In most states, a majority of plans used coinsurance on the highest cost-sharing tier. Coinsurance is not transparent for patients shopping for coverage, as no information on the negotiated drug price for particular insurers and pharmacies is available. In addition, coinsurance can be extremely expensive.

Colorado had a lower number of plans that required coinsurance on the highest tier, compared to the other states examined. This is likely due to a regulatory requirement that insurers sell a certain number of plans that apply flat dollar copays, instead of coinsurance, to their prescription drug benefit. This policy benefits patients by ensuring there are plan options that clearly convey the dollar cost a patient will pay for their drugs. When a patient has this information, they are more likely to choose a plan that covers their drugs at a cost they know they can anticipate and afford.

Of the silver plans examined in Denver and Grand Junction<sup>5</sup>

- In the plans we examined in Denver, 62 percent (13 of 21) required coinsurance on the highest tier, with the median coinsurance percentage of 40 percent.
- For plans we examined in Grand Junction, 25 percent (2 of 8) required coinsurance on the highest tier, with the median coinsurance percentage of 37.5 percent.

## 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, as well as newly approved and older drugs.

	Colorado	Overall Average Across States Examined
<i>Coverage of new cancer medications</i>		
Gilotrif (approved in 2013)	50%	79%
Mekinist (approved in 2013)	67%	82%

<sup>5</sup> Colorado does not use standardized plan designs or provide a downloadable dataset of cost-sharing designs for all silver plans, so we analyzed all silver plans available in Denver (zip code 80219) and Grand Junction (81501)

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, our study found they frequently are not listed on prescription drug formularies. This data supports the need for legislative or regulatory efforts to improve transparency around coverage and patient costs for drugs covered under a plan's medical benefit.

<i>Coverage of IV medications</i>	Colorado	Overall Average Across States Examined
Arzerra	33%	24%
Empliciti	17%	3%
Keytruda	17%	24%
Opdivo	17%	9%
Taxol	0%	0%
Paclitaxol (generic)	50%	27%
Avastin	33%	15%
Herceptin	33%	18%
Rituxan	67%	64%

To further examine whether a prospective enrollee could find coverage and cost information for IV drugs, we called the customer service phone number listed for two different health plans (referred to Plan A and Plan B) 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. We were able to speak to a representative from Plan A who informed us that neither drug was covered under the plan and thus an appeal would need to be filed in order to obtain coverage. It took 5 touch-tone clicks to speak to a customer service agent with Plan B but we were ultimately able to obtain information regarding the plan's coverage of the two drugs that were the basis for our inquiry.