

Cancer Drug Coverage and Transparency in Nevada 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 3 formularies for plans sold in Nevada– 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 Nevada 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. Nevada 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 websites.

	Nevada	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	0%	27%

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.

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.

In Nevada, we examined the formularies for silver plans sold by three carriers – the only ones selling silver plans in the state. Overall, it is easier for Nevada consumers to find plan drug coverage information, compared to other states examined in the study.

	Nevada	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 ⁴	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 we analyzed 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. Being placed on the highest tier in some plans examined may point to a practice known as “adverse tiering” and should be evaluated by regulators who approve plans to be sold in Nevada to ensure carriers aren’t creating drug benefit designs that are discriminatory to cancer patients.

<i>Among formularies covering each drug, percentage providing coverage on the highest cost-sharing tier</i>	Nevada	Overall Average Across States Examined
Gleevac	100%	81%
Imatinib Mesylate (generic)	67%	62%
Votrient	100%	90%
Xalkori	100%	90%
Etoposide Phosphate (generic)	33%	41%
Zelboraf	100%	90%
Inlyta	100%	62%
Revlimid	100%	88%
Sutent	100%	85%
Tarceva	100%	91%

⁴ In our analysis, of the plans we analyzed all of the formularies contained direct links. Thus, none of the Nevada plans in our analysis would have broken or non-direct links.

<i>Among formularies covering each drug, percentage providing coverage on the highest cost-sharing tier</i>	Nevada	Overall Average Across States Examined
Tykerb	100%	91%
Zykadia	100%	87%

Coinsurance versus Copayments

All silver plans in Nevada used coinsurance on the highest cost-sharing tier, meaning that consumers using these drugs must pay a percentage of the cost of their drugs rather than a flat copayment. 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 for the consumer.

Of the silver plans examined in Nevada, 100% (18 of 18 unique plan designs) required coinsurance on the highest tier, with the median coinsurance percentage of 30 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. 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 analysis in 2014 and 2015, our study found that it can be challenging to determine a plan's coverage of drugs provided under the medical benefit because they may not be 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>	Nevada	Overall Average Across States Examined
Arzerra	33%	24%
Empliciti	0%	3%
Keytruda	33%	24%
Opdivo	0%	9%
Taxol	0%	0%
Avastin	0%	15%
Herceptin	0%	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. When we contacted Plan A, we were immediately transferred to the sales department, but were unable to speak to a live operator (though we were transferred into a voicemail box). Plan B provided better access to an agent, who attempted to tell us neither drug was listed on the plan's formulary. However, a subsequent web search revealed that the plan appeared to provide coverage of both drugs.