Cancer Drug Coverage and Transparency in Texas Marketplace Plans 2016

In 2014[1] 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 ten formularies for plans sold in Texas – 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 Texas 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. Texas 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.

	Texas	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	30%	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.

©2016 American Cancer Society Cancer Action Network, Inc.

	Texas	Total Average Across States Examined
Percentage of Formularies with direct link	60%	48%
Percentage of formularies with broken link	20%	12%
Average number of clicks for non-direct or broken links	2.5	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 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 Texas to ensure carriers aren't creating drug benefit designs that are discriminatory to cancer patients.

Among formularies covering each drug, percentage providing coverage on the highest cost-sharing tier	Texas	Overall Average Across States Examined
Gleevac	100%	81%
Imatinib Mesylate (generic)	100%	62%
Votrient	100%	90%
Xalkori	100%	90%
Etopophos/Toposar	67%	44%
Etoposide Phosphate (generic)	60%	41%
Zelboraf	100%	90%
Inlyta	100%	62%
Revlimid	100%	88%
Sutent	100%	85%
Tarceva	100%	91%
Tykerb	100%	91%
Zykadia	100%	87%

©2016 American Cancer Society Cancer Action Network, Inc.

Coinsurance versus Copayments

A majority of plans 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 Texas, 82 percent (28 of 34 unique plan designs) required coinsurance on the highest tier, with the median coinsurance percentage of 38 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. In 2015, Texas passed House Bill 1624 that requires insurers to disclose drugs covered under both the prescription drug and medical benefit.[4] IV drugs were still listed infrequently on Texas formularies, making it unclear whether insurers aren't covering the drugs or aren't in compliance with the law.

Coverage of IV medications	Texas	Overall Average Across States Examined
Arzerra	40%	24%
Empliciti	0%	3%
Keytruda	30%	24%
Opdivo	10%	9%
Taxol	0%	0%
Paclitaxel*(generic)	30%	27%
Avastin	10%	15%
Herceptin	20%	18%
Rituxan	60%	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

[4] http://www.capitol.state.tx.us/tlodocs/84R/billtext/pdf/HB01624F.pdf#navpanes=0

©2016 American Cancer Society Cancer Action Network, Inc.

medical benefit. Neither Plan A nor Plan B provided information regarding coverage of either prescription drug. With respect to Plan A, it took four attempts to speak to an agent with no resolution. Plan B provided better access to an agent, who was unfortunately unable to answer the question of coverage, referring us back to the plan's website (which provided no information).

©2016 American Cancer Society Cancer Action Network, Inc.