

## TALKING POINTS FOR STATES



### SPECIALTY TIERS

The following talking points are here to provide support when you are meeting with legislators in your state, at advocacy trainings, or if you are providing testimony on state tiering bills. When giving testimony, feel free to weave these facts throughout your personal story about how specialty tiers affects you, your family, and your community.

- Until very recently, the majority of health insurance plans have included hemophilia's lifesaving treatment – called clotting factor - under major medical plans. However, our community has seen many plans shifting factor from major medical plans to prescription drug plans. This shift in coverage has allowed insurance companies to place factor onto what are known as “specialty tiers.”
- Tiering is a **cost-sharing** strategy employed by insurers that places drugs into groups called tiers based on criteria determined by the insurer. Lower tiers have fixed co-pays, for example, a \$10 monthly prescription refill for a generic drug. For drugs on specialty tiers however, insurers require patients to pay a percentage of the cost of drug, a practice known as **coinsurance**. For drugs placed on specialty tiers, coinsurance rates can vary from 20% to 50%.
- Patients living with chronic or life-threatening diseases such as hemophilia are disproportionately impacted by the shift in cost-sharing by insurers. Drugs placed on specialty tiers are often high cost drugs, biologics, and drugs that need specialty administration and monitoring. Patients with chronic or life-threatening disease like hemophilia are reliant upon these expensive medications to stay well.
- The cost for medication for adults with hemophilia can range anywhere from \$250,000 to over \$1 million annually. The Affordable Care Act currently limits out-of-pocket maximums for health care costs to \$6,600 for individuals and \$13,200 for families in 2015. Many of our patients will hit the annual out-of-pocket limit in January. For most patients, this kind of financial outlay in one month is an incredible burden.
- Numerous studies have shown that high out-of-pocket costs for medications lead to decreased compliance to medical treatment, especially for lower-income groups. Non-adherence to medication regimes results in \$100 billion spent each year in the US on avoidable hospitalizations.<sup>i</sup>
- Those opposed to limitations on specialty tiers often site the fear of increased premiums. However, a recent study conducted by Avalere Health examined the impact of the federal bill, the *Patient's Access to Treatment Act*, and found that the average annual increase in premiums would only be \$3 for plans that employ specialty tiers.<sup>ii</sup> The *Patient's Access to Treatment Act* states that no insurer can charge more for a drug placed on a specialty tier than they charge for the drugs placed on their non-preferred drug tier.

## TALKING POINTS

- Legislation like (INSERT BILL NAME HERE) that regulates the use of specialty tiers in prescription drug plans is extremely important for our community. The use of coinsurance as a cost-sharing strategy is an extreme financial burden on those with chronic illnesses that can lead to decreased compliance and more expensive hospitalization. It is contrary to the concept of equitable sharing of risk of cost in health insurance and places a disproportionate burden on patients with chronic illnesses.
- By enacting (INSERT BILL NAME HERE) you will be saving the patients in (INSERT STATE) who suffer from chronic disease from financial hardship and removing access barriers to lifesaving treatments.

**For more information on tiering bills, or for help with your specific state, contact HFA at [advocacy@hemophiliafed.org](mailto:advocacy@hemophiliafed.org)**

**We are here to support your Advocacy!**

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<sup>i</sup> Osterberg L, Blaschke T. *Adherence to medication*. N Engl J Med 2005;353;487-97.

<sup>ii</sup> Avalere Health. (2013) *Estimated Impact of Patients' Access to Treatments Act of 2013*. Retrieved February 18, 2014 from Arthritis Foundation: [http://www.arthritis.org/files/sections/advocacy/docs/Impact\\_of\\_HR\\_460.pdf](http://www.arthritis.org/files/sections/advocacy/docs/Impact_of_HR_460.pdf)