

Statement of LuGina Mendez-Harper, Pharm.D., R.Ph.  
Government Affairs Principal  
Prime Therapeutics  
Senate Bill 93  
Senate Public Health and Welfare Committee  
February 25, 2019

Chairman Suellentrop and Committee Members:

Thank you for the opportunity to submit written comments and speak with you today.

My name is Dr. LuGina Mendez-Harper. I am a pharmacist with Prime Therapeutics and a proud graduate of the University of Kansas College of Pharmacy.

Prime Therapeutics is a pharmacy benefit manager (PBM) owned by 18 Blue Cross Blue Shield plans.

I am here today to respectfully oppose Senate Bill 93 because it provides an avenue to circumvent step therapy which will result in higher drug costs for employers, state governments, health plans, and Kansas residents. This legislation will raise health care costs for Kansas citizens with no benefit to anyone except pharmaceutical manufacturers.

This legislation does not reflect stakeholder meetings held during the interim session with the bill proponents, insurers, and PBMs.

Step therapy programs are clinically-based, cost-effective programs used by insurers to have enrollees use existing highly effective and safer medications before “stepping up” to new high-cost medicines. This bill provides various avenues to circumvent step therapy. The result will be higher drug costs for employers and out of pocket costs for patients.

- These programs are designed to encourage more appropriate use of medicines especially those medicines that are prone to abuse, misuse, or are costly.
- These programs are in place to hold down out of pocket medicine costs for Kansas citizens and drug costs for employers and insurance plans.

Restrictions on step therapy can be detrimental to patient safety

- Step Therapy encourages prescribers and patients to undertake a more evidence-based measured approach to treatment by gauging a patient’s response to less harmful medications before graduating to more potent or high-risk, high-cost drugs.
- Step Therapy may also be used to reduce the risk of overmedication, prescription drug abuse, and addiction.

This bill is an invitation for drug manufacturers to raise prices and to influence healthcare decisions.

- Specific bill provisions would require coverage of high priced brand name medicines without regard to cost.

This bill has been pushed nationally in several states by drug manufacturers to favor more expensive, brand name medicines

- Drug manufacturers spent \$58.4 million to market their medicines to Kansas prescribers between 2013 and 2017.<sup>1</sup>

Prime reviewed Kansas step therapy utilization management claims in 2017. Step Therapy saved our Kansas customers approximately \$11.6 million in FY 2017

- These savings are passed to the consumer as lower premiums and out of pocket costs.

We have other specific concerns with the bill such as:

- There is no clear understanding of why rules and regulations are required by the insurance department.
- The timeline for step therapy exception determinations does not provide sufficient time for review during non-business hours. Industry standards for exigent circumstances is 72 hours to address non-business days.
- There is no guardrail indicating the review timeline begins only after complete submission of all information required to make a determination.
- The use of coupons and samples from pharmaceutical manufacturers could still be utilized to meet the “trial” period requirement.
- Provisions allow self-administered and physician-administered drugs to qualify as a trial period.
- There are no guardrails that adverse events and adverse reactions were clinically significant.

Step therapy programs have an accepted place in our health care system and are a critical tool used to ensure Kansas citizens have access to sustainable, affordable health care benefits. This bill would significantly impact this tool, will benefit the pharmaceutical industry, and will have the unintended consequence of raising health care costs for Kansas citizens. Therefore, we respectfully oppose this bill.

Please let me know if you have any other questions.

Thank you.

---

<sup>1</sup> <https://openpaymentsdata.cms.gov/>