TO: ANCO Members

FROM: José Luis González, Executive Director
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RE: Health Care Coverage: Cancer Treatment (AB219)

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California’s AB219 became law on January 1, 2015. It limits a patient’s total co-payment and coinsurance for an oral cancer medication to $200 per 30-day supply. Please see the attached for more information.

It has been brought to ANCO’s attention that some private payor pharmacy benefit plans may be in violation of the provisions of AB219 and we seek member assistance in identifying these plans and bringing this information to the attention of the California Department of Insurance and/or the Department of Managed Health Care.

Please answer the questions below and send specific information to ANCO via e-mail to execdir@anco-online.org.

1. Is your practice aware of any private payor pharmacy benefit plan that requires beneficiaries to pay more than $200 out-of-pocket per 30-day supply for an oral anti-cancer medication?

If so, then please report the name of the health plan and the pharmacy benefit plan, the name of the drug, and the amount required of the beneficiary to ANCO.

2. Ask your patients, or have your practice staff ask your patients, with oral anti-cancer prescriptions if they are paying more than $200 per month for their medicine.

If they are paying more than $200 per month for their medicine, then please report the name of the health plan and the pharmacy benefit plan, the name of the drug, and the amount required of the beneficiary to ANCO.

Thank you for your cooperation in this matter.
Overview of California Assembly Bill 219

Steep out-of-pocket costs often form a barrier to effective treatment. Assembly Bill 219, Health Care Coverage: Cancer Treatment (AB 219), will institute a price cap on oral cancer medications, offering more patients access to standard-of-care oncolytics.

Effective January 1, 2015, AB 219 will limit a patient’s total co-payment and coinsurance for an oral cancer medication to $200 per 30-day supply.
Expanding treatment opportunities

Legal and historical context
The Knox-Keene Health Care Service Plan Act of 1975 placed the regulation of California health care service plans under the authority of the state’s Department of Managed Health Care. Existing law also established the regulation of health insurers by the state’s Department of Insurance.

AB 219 was enacted to combat the rising out-of-pocket costs for oral cancer medications. Both the California Department of Managed Health Care and the Department of Insurance will enforce the bill, and refusal to comply will be a crime.

AB 219 in detail
AB 219 prohibits any insurance policy or plan enacted on or after January 1, 2015, that provides coverage for oral cancer medications from requiring co-payments or coinsurance, excluding deductibles, to exceed $200 for a 30-day supply of a prescribed oral cancer medication.

Considerations
• The bill applies to policies and plans that meet the definition of high-deductible health plans and will apply only after the deductible has been satisfied for the year
• Starting on January 1, 2016, the $200 limit may be increased every year by the percentage increase in the Consumer Price Index
• A prescription for an oral cancer medication must be provided, consistent with the appropriate standard of care
• The $200 limit does not apply to coverage under a Medicare health care service plan
• These provisions will remain in effect until January 1, 2019, unless a statute is enacted that changes this date

Additional information
For a copy of the bill: http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB219

For health plan information, California Department of Managed Health Care: http://www.dmhc.ca.gov

For insurance information, California Department of Insurance: www.insurance.ca.gov