

CANCER DRUG PARITY ACT

Fact Sheet | March 2017

While intravenous (IV) drug therapy is the most well-known component of cancer treatment, an increasing number of cancer drugs today can be administered orally. Insurance coverage has not kept pace with innovation and the growing trend towards orally administered anti-cancer drugs. The result has been patient cost-sharing that is much higher for oral anti-cancer drugs than for drugs delivered through IV-administration.

This disparity in cost-sharing exists because health insurance coverage for IV-administered drugs is typically provided under the plan's medical benefit, but oral drugs are often covered under the plan's prescription benefit, which involves much higher out-of-pocket costs than medical benefit plans.

Oral Anti-Cancer Medications

- An estimated 25-30 percent of therapies in the oncology pipeline are oral agents, the Food and Drug Administration (FDA) has already approved more than 50 oral oncology drugs.
- High cost-sharing places oral therapies out of reach for many patients, threatening their chances of survival since, in many cases, there are no equivalent therapies that can be substituted for the prescribed oral drug,
- Additionally, the disparity in coverage negatively impacts patient adherence. Non-adherence to medication regimes results in \$100 billion spent on avoidable hospitalizations annually.
- In comparison to IV-administered cancer treatments, oral treatments can offer significant cost savings because an oral drug can be taken at home. IV drugs must be given to patients in a clinical setting where additional costs are involved in administering the drug.

Fair and Equal Coverage of Oral Anti-Cancer Medications

- Patients should not be forced to choose a less appropriate treatment simply because an insurer provides less coverage for a cancer drug that happens to be administered by mouth rather than intravenously.
- Implementing this change would cost most insurers less than \$0.50 per member per month. In fact, no significant increases in premiums have been documented in states with oral parity legislation in place.
- This legislation does not seek to create new insurance mandates; it simply states that whenever a plan already covers cancer treatments, that plan must apply the same level of coverage for oral and IV-administered drugs.
- The impact of this issue has led 43 states, plus the District of Columbia, to pass legislation. However, state legislation does not cover all health insurance plans, and leaves a significant number of patients without access to affordable treatment.

Susan G. Komen urges Members of Congress to ensure breast cancer patients can access the treatments they need to save their lives by becoming a cosponsor of the Cancer Drug Parity Act, H.R. 1409.