

HB 458 – Increases Health Care Costs and Creates Patient Safety Risk

What does HB 458 Actually do to Prescription Drug Delivery and the Cost of Medicines in Kentucky?

- HB458 prohibits mail-order only plans and prohibits providing patients a lower copay or coinsurance as an incentive to fill prescriptions through mail-order or specialty mail-order.
- HB 458 will have a direct and material impact on Medicaid, the Kentucky employees' health plan, and the fully insured, private commercial insurance market in the state.
- Limits a health plan's ability to use mail-order programs removes the lowest cost pharmacy option available. Employers and health plans should have access to tools that manage prescription drug costs, without government intervention. When an employer or health plan contracts with a PBM to administer their pharmacy benefit, the employer maintains authority over the terms and benefit plan design. The employer or plan – **not the PBM** – makes decisions regarding cost-sharing requirements, mail-service, formulary, etc. HB 458 removes the option for the employer or health plan to use mail order and specialty pharmacy mail-order as cost savings tools.
- The Centers for Medicare and Medicaid Services (CMS) found that mail-order pharmacies save an average of 16% on prescription drug costs. HB 458 will prevent KY employers and health plans from utilizing these savings.
- From 2015-2024, HB 458 would increase costs statewide by an estimated \$852M total for those years for thought changes in mail order alone. For the changes proposed in this bill, the lost savings for specialty medicines during that time are estimated at approximately \$3.6 billion over those same years.

Patient Safety at Risk

- HB 458 mandates that a health benefit plan allow any pharmacy to dispense a specialty medication essentially because they want to be able to dispense any and all medicines without consideration for the complexity of the patient population, safety issues, and the high cost of the medications.
- Specialty drugs are used to treat complex or rare conditions, such as multiple sclerosis, cancer, rheumatoid arthritis, hepatitis C, and hemophilia.
- These medications require complex pharmacy management including evaluation of the therapy for appropriateness of treatment, providing patients with tailored education on proper medication administration techniques and side effects management, as well as condition education, including lifestyle adjustments that may be needed to help maximize quality of life.
- Specialty pharmacies lead efforts to coordinate patient care with physicians and other health professionals to avoid gaps in care and assure that patients are receiving and taking the proper medications.
- It is also important to note that often times the manufacturer of the drug determines whether it is necessary for a drug to have limited distribution through specialty pharmacies and this is built into the Risk Evaluation and Mitigation Strategy (REMS) requirements for FDA approval.
 - Manufacturers choose to contract with specialty pharmacies rather than widespread distribution because of the ability of a specialty pharmacy to handle such complex medications and sensitive patient populations.
 - Patient safety would be at risk if any retail or community pharmacy that claims they can handle specialty drugs be permitted to do so.
- The reality is that while traditional pharmacies might like to dispense specialty drugs, they are not all equipped or able to deliver the clinical management and services that these products require.