February 3rd, 2020

The Honorable Nancy Barto  
Chair, House Committee on Health & Human Services  
Arizona State Capitol Complex, HHR-4  
1700 W Washington St  
Phoenix, AZ 85007

RE: Support HB 2420- Insurance; prescription drugs; step therapy.

Dear Chairwoman Barto and members of the House Committee on Health & Human Services,

The National Psoriasis Foundation (NPF) is a non-profit organization with a mission to drive efforts to cure psoriatic disease and improve the lives of those affected. The NPF is the leading patient advocacy group for more than 8.3 million Americans and the more than 174,000 Arizona residents living with psoriasis and psoriatic arthritis. I write to you today to express our support for HB 2420.

Each day, our patients face the reality of barriers to health care through utilization management practices that impact treatment, health, and well-being. When these policies interfere with the patient-physician relationship, they can result in delayed treatment, increased disease activity, loss of function, and potentially irreversible disease progression.

One practice called step therapy, also known as ‘fail first’, directs patients to medications that are preferred on the formulary, requiring patients to ‘fail first’, often, multiple times, on certain medications before they receive insurance coverage for the treatment originally prescribed by their provider. Due to the heterogeneous nature of psoriatic disease, patients need access to a broad range of treatment choices, making a one-size-fits-all approach harmful for patients.

It is critical that patients can receive an exception to the required step therapy practice when the plan-directed medication is inappropriate. Delays in treatment can have devastating health implications that are avoidable when patients have access to a timely, clear, and accessible exception requests process. A study showed that step therapy protocol is inconsistent across payers, creating additional confusion and frustration for patients and their providers acting on their behalf. 1HB 2420 would require carriers to give patients and providers access to a clear and convenient process to request a step therapy exception which will help alleviate delays in care.

Multiple studies have shown while step therapy can successfully control costs, in some instances, this practice may do more harm than good including unnecessary costs to the system when individuals need to seek additional medical care to properly manage their condition. One study found that total Medicaid costs increased by $0.32 per member per month (PMPM) while drug costs decreased by $0.26 PMPM (an overall increased spend of $.06 PMPM). The same study also found that due to step therapy requirements, more patients switched medications within 6 months and fewer patients received continuous therapy at 6 months.2,3 Similarly, a study found that adherence to medication declined due to formulary restrictions

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and total costs increased with formulary restrictions due to increased inpatient and medical costs as well as increased pharmacy costs.  

HB 2420 creates common sense guardrails on utilization management protocols recognizing the primacy of the patient-provider relationship while maintaining the ability for insurers to use these tools to manage costs. We applaud Chair Barto’s leadership and Representative Shah’s support on this issue and encourage the committee to vote favorably for this legislation.

Thank you for your time and consideration. If you have any questions, please reach out to Brittany Duffy-Goche with the National Psoriasis Foundation at bduffy-goche@psoriasis.org.

Sincerely,

Randy Beranek
President & CEO

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