



DELAWARE HEALTH AND SOCIAL SERVICES

Division of Services for Aging and Adults with Physical Disabilities

**GOVERNOR'S ADVISORY COUNCIL ON SERVICES FOR AGING
AND ADULTS WITH PHYSICAL DISABILITIES**

June 4, 2013

Dear Honorable Legislator:

RE: SB 35 Specialty Tier Prescription Drug Coverage

On May 1, 2013, there was a Health and Social Services Committee Meeting regarding **Senate Bill (SB) 35**, related to specialty tier prescription drug coverage. On June 6th a Senate Hearing is scheduled and *The Governor's Advisory Council on Services for Aging and Adults with Physical Disabilities* would like to take this opportunity to communicate our support of this very important legislative initiative that will affect many Delawareans who are living with chronic and often disabling disorders.

By way of background, let me first explain what constitutes a 'Specialty Tier' and why it is important to the citizens of the State of Delaware.

The drug formulary used by most health insurers typically has three tiers of drugs. The higher the tier, the more expensive the drug AND the higher a member's co-payment will be. Many plans are now adding another tier, a Specialty Tier, for high-cost drugs that are generally used by patients with chronic disease. The problem is that for drugs in this tier, a member will pay co-insurance, (a **percentage** of the drug's cost), rather than a co-payment, (a fixed amount).

The Impact of Specialty Tiers can be significant and cause catastrophic financial hardship to a family. For example, Multiple Sclerosis disease modifying drug therapies usually fall on to the specialty tier due to no generic alternatives being available and carry a 25%-33% co-insurance rate. This translates to out-of-pocket costs of anywhere from \$715 to \$1,513 *per month* per drug.

Because of the high costs people have to choose between medications and routine family bills. Many won't comply with their medication instructions, either skipping doses or foregoing their medications completely. This means more health issues along with faster disease progression and that eventually results in more hospital stays and ER visits. These events are more costly and those costs are eventually passed on to all plan members, State government and the general public

SB 35 places a cap on the co-payment or co-insurance that a plan can charge for specialty tier drugs. Simply put, it caps monthly costs at \$100 for any single drug and \$200 per month for two or more specialty tier drugs.

The Governor's Advisory Council on Services for Aging and Adults with Physical Disabilities urges you to support this legislation on behalf of the many Delaware families that could be adversely affected if it is not enacted. We thank you for your time and consideration of this matter that has a great impact on quality of life, oftentimes life itself, for many people who use high cost Specialty Tier medications.

Sincerely,

Patsy Bennett-Brown
GAC Co-Chair

On behalf of
Bob Brown
GAC Chair