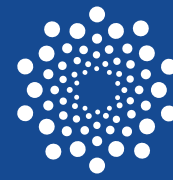


Vote NO on SB 853



California Association of
Health Plans

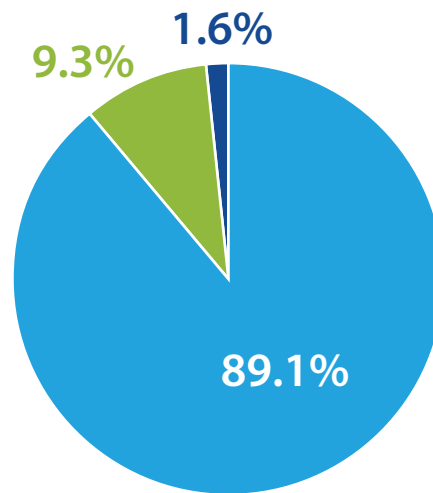
Backed by pharmaceutical companies, SB 853 removes important health plan checks and balances, clearing the way for big pharma to push for higher usage of their costly specialty drugs – resulting in increased costs for all health plan enrollees.

SB 853 would require health plans to cover prescription drugs, at any dosage, during critical utilization review and appeals processes of these drugs. This would prevent health plans from ensuring clinically appropriate usage of prescription drugs and alleviating the costs associated with costly specialty drugs even when more affordable equivalent alternatives are available. SB 853 will threaten patient safety, while also raising premiums by \$74.2 million.

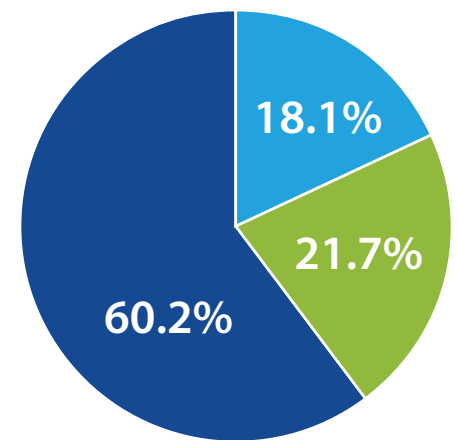
A recent Department of Managed Health Care (DMHC) [report](#) shows that specialty drugs continue to make a huge impact on prescription drug spending. Specialty drugs in 2020 accounted for more than 60% of all drug spending despite only accounting for 1.6% of all prescriptions. Increased use of these costly drugs would continue to drive up health plan spending, and threaten to make health care more expensive for everyone.

Specialty drugs continue to have an outsized impact on prescription drug spending, accounting for 60.2% of all drug spending despite only accounting for 1.6% of all prescriptions.

More than 3 out of 5 dollars in prescription drug spending by health plans went towards less than 1 in 60 prescriptions, driving up health plan spending.



Percentage of all prescriptions



Percentage of all prescription drug spending

■ Specialty ■ Generic ■ Brand Name Drugs

Prescription drug costs remain the fastest-growing cost driver of health plan premiums, with specialty drugs in particular having an outsized impact on the affordability of health care. Californians have made it clear that making health care more affordable is a top priority, yet SB 853 does just the opposite by increasing health care costs for all.

Key ways that SB 853 makes health care less affordable:



Increased Costs in Health Care Delivery:

The California Health Benefits Review Program's (CHBRP) independent analysis of the bill says that premiums will increase by more than \$74 million for health plan enrollees.



Takes Away Existing Utilization Management Practices:

Health plans rely on utilization management tools like prior authorization and step therapy to ensure patients receive the best and safest care, especially related to prescription drug coverage. SB 853 would dismantle these review practices for drugs and would then encourage the use of expensive specialty and brand name drugs when a generic or lower cost brand equivalent is available and clinically appropriate.



Creates Potential Safety Issues:

SB 853 would create patient safety concerns because when health plans choose to limit or deny a drug, or a specific dosage of a drug, it is usually for safety reasons. That could include possible abuse or overuse, and inconsistency with FDA approved labeling.

SB 853 removes an important tool used by health plans to keep drug costs more affordable for patients while still ensuring quality care.

Vote NO on SB 853.