Vote NO on SB 70

California Association of Health Plans

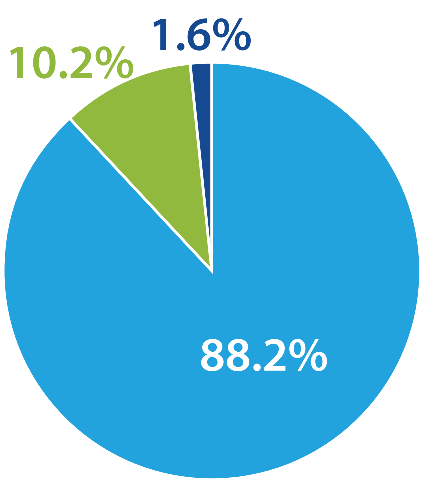
Backed by pharmaceutical companies, SB 70 removes important health plan checks and balances, clearing the way for big pharma to push for higher usage of their costly specialty drugs – resulting in increased costs for all health plan enrollees.

SB 70 will threaten patient safety, while also substantially raising premiums for enrollees: SB 70 would require health plans to cover prescription drugs, including off-label use of medication, at any dosage or dosage form indefinitely after it's been initially approved. Additionally, this bill would prohibit plans from adjusting the enrollee's portion of the cost share if the drug had already been covered, regardless of an increase in dosage or change in dosage form. 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.

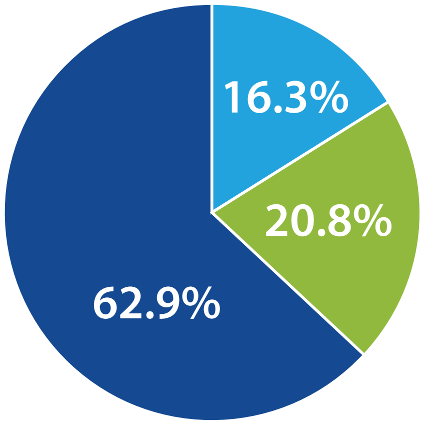
A recent Department of Managed Health Care (DMHC) report shows that specialty drugs continue to make a huge impact on prescription drug spending. Specialty drugs in 2021 accounted for nearly 63% of all drug spending despite only accounting for 1.6% of all prescriptions. Increased use of these costly 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 62.9% 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 70 does just the opposite by increasing health care costs for all.

Key ways that SB 70 makes health care less affordable:

Increased Costs in Health Care Delivery:

The California Health Benefits Review Program's (CHBRP) independent analysis of the bill only priced out the off-label mandate portion of the bill, which on it's own, would increase premiums by $27 million dollars. Notably, the CHBRP's analysis of the bill points to a key assumption that this specific provision would not apply if an enrollee changed to another plan or policy and would reset during a plan/policy year. The author's office has indicated that their intent was for the prohibition on cost sharing to apply permanently. **Critically, CHBRP states in their analysis that if the prohibition on cost sharing were to be permanent, that impacts on premiums could, in the long term, become "orders of magnitude greater than what is projected in this analysis."**

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 70 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 70 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 70 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 70.