

MedChi

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TO: The Honorable Thomas Mac Middleton, Chair
Members, Senate Finance Committee
The Honorable James N. Mathias, Jr.

FROM: Joseph A. Schwartz, III
Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman

DATE: February 19, 2014

RE: **SUPPORT** – Senate Bill 641 – *Kathleen A. Mathias Oral Chemotherapy Improvement Act of 2014*

The Maryland State Medical Society (MedChi), which represents more than 8,000 Maryland physicians and their patients, supports Senate Bill 641.

Senate Bill 641 corrects an enormous exception which was added to the Maryland law providing that oral chemotherapy medicines could be available to patients on the same basis with respect to co-pays and dollar limits as those medicines when administered intravenously or by injection. The “loophole” was that the law did not apply to an entity that provided “essential health benefits” under the Federal Affordable Care Act (ACA). This effectively means that almost every insurer operating in Maryland was not subject to the chemotherapy equalization statute. Senate Bill 641 removes this exception and, accordingly, applies the law to all health insurers and HMOs.

The substance of the cancer chemotherapy equivalency law is that a patient would not be penalized with respect to dollar limits, co-payments, deductibles or co-insurance in choosing between oral chemotherapy agents and those administered intravenously or by injection. This provision of the current law appears on page 2, lines 18 through 13 of the current law.

Senate Bill 641 adds a new section at page 2, lines 18 to 21 which allows an insurer to impose “appropriate utilization controls...” and allows “...using tiered formulary designs.” MedChi believes that there may be a tension between this new section E of the law and the

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current nondiscrimination provisions of the law which appear on page 2, lines 8 through 13.
It may be that some explanatory language would be helpful to resolve this tension.

MedChi asks for a favorable report on Senate Bill 641.

For more information call:

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