



# Ohio Association of Rheumatology Advocacy Newsletter May 2017

## STATE UPDATES

### 4th Annual Arthritis Advocacy & Access Day Focuses on Step Therapy

Over 30 Ohio Association of Rheumatology (OAR) and Arthritis Foundation (AF) advocates from around Ohio gathered at the Capitol in Columbus on Thursday, May 4 to educate lawmakers on their legislative priorities.

Before meeting with legislators, advocates heard from several leaders on how current step therapy practices have hurt patients and discussed strategy for their legislative visits.

OAR President, Dr. Stephanie Ott, gave the physician's perspective speaking to the harsh realities of fail first policies while also providing key points to highlight during the advocates' meetings with lawmakers.

Another OAR advocate and board member, Dr. Elizabeth Roter, discussed personal stories about the patients she has encountered that have all been negatively impacted by the states' current step therapy protocols.

House Bill 72 and Senate Bill 56 both limit step therapy protocols to protect patients from the misuse of fail-first policies. OAR advocates met with both committee chairs to persuade support in favor of the legislation and encouraged the bill to be called for a vote before the end of spring session.

While the step therapy legislation was the main focus of the visits, OAR members brought up several other issues with lawmakers in hopes of igniting interest for next session.

#### Issues included:

- *Non-Medical Switching*: Legislation that prevents insurers from forcing medically-stable patients to switch medications for non-medical reasons. Example: Patient signs-up for health plan, finds a drug that works for them and then the health plan tells that patient (in the middle of the plan year) their drug is no longer on the formulary or it has moved to a different tier or specialty tier (too costly).
- *Commercial Activity Tax (CAT)*: Legislation would amend the current CAT language by removing "with cancer", making the tax exemption equal for all physicians that treat significant patient conditions with complex medicines. Current CAT Statute: "Receipts realized from administering anti-neoplastic drugs and other cancer chemotherapy, biologicals, therapeutic agents, and supportive drugs in a physician's office to patients with cancer."
- *Transparency in Drug Pricing (PBMs)*: Educating lawmakers about the need for transparency surrounding the rebate system and how patients are paying the list price for drugs while PBMs are contracting a discounted price that goes back into their pocket instead of the patients'.

For a complete recap on the advocacy day and legislative priorities, please visit the advocacy section of OAR website.

### Transparency in Drug Pricing: Regulating Pharmacy Benefit Managers (PBMs)

One of the many legislative priorities OAR spoke about during its recent advocacy day included regulating PBMs influence over drug pricing. The recent EpiPen fiasco has lawmakers and citizens up in arms about the continued rise in prescription drug pricing and how manufacturers are to blame. The reality is the system is broken and there is plenty of blame to go around.

PBMs or Pharmacy Benefit Managers were established to drive down drug costs as manufacturers would have to negotiate low prices if they wanted to access the PBM patient pool. However, because of a lack of transparency from the PBMs, they have been exploiting this opaque system and are reaping huge profits that should be going to patients.

To give an example, manufacturers pay rebates to PBMs in exchange for preferred formulary placement for their drug. This motivates PBMs to base drug utilization on rebates (aka profits) rather than patient care or reducing drug costs. The higher the list price the higher the rebate or profit for the PBM.

This tactic has caused a bidding war between manufacturers for preferred placement on a formulary, thus driving up the costs for patients. The worst part about this method is that the rebates are based on the list price the patient pays for their treatment, but the PBM pays a discounted price in which they pocket the difference (savings that should go to the patient).

The OAR has begun to research other state legislation surrounding this issue and is currently educating lawmakers in Ohio and are insisting action be taken on the egregious act. For more information on PBMs, check out the PBM One-Pager used at the OAR Advocacy Day.

### ***PBM Issue Leave Behind***

As always, OAR legislative staff will continue to monitor all relevant legislation and will update OAR membership as required

## **FEDERAL UPDATES**

### **Obamacare Repeal & Replace Bill Passes House**

In their second attempt this year House Republicans managed to garner enough votes to pass legislation that would replace Obamacare. The final vote narrowly passed 217-213 with 1 not voting.

Repeals included the individual mandate, employer mandate, subsidies for out-of-pocket expenses and taxes. For a complete side-by-side comparison in changes in the law please visit the [New York Times](#).

### **Federal Step Therapy Bill Filed**

In April, Congressman Brad Wenstrup (R-OH) and Congressman Raul Ruiz (D-CA) introduced The Restoring the Patient's Voice Act. The bill was created based off the step therapy legislation in Ohio. To view the bill visit [Congress Legislation](#).

## **REGISTRATION IS NOW OPEN!**

### **Ohio Association of Rheumatology 12th Annual Meeting**

Join us for the OAR 12th Annual Meeting in Columbus Ohio on August 25 - 26, 2017. The meeting will be held at the Hilton Downtown Columbus & Greater Columbus Convention Center.

#### ***ONLINE REGISTRATION***

#### ***MEETING INFO***

##### **Questions:**

Contact the OAR Executive Office  
**Phone:** (847) 517-7225  
**Fax:** (847) 517-7229  
**Email:** [info@ohiorheumatology.org](mailto:info@ohiorheumatology.org)