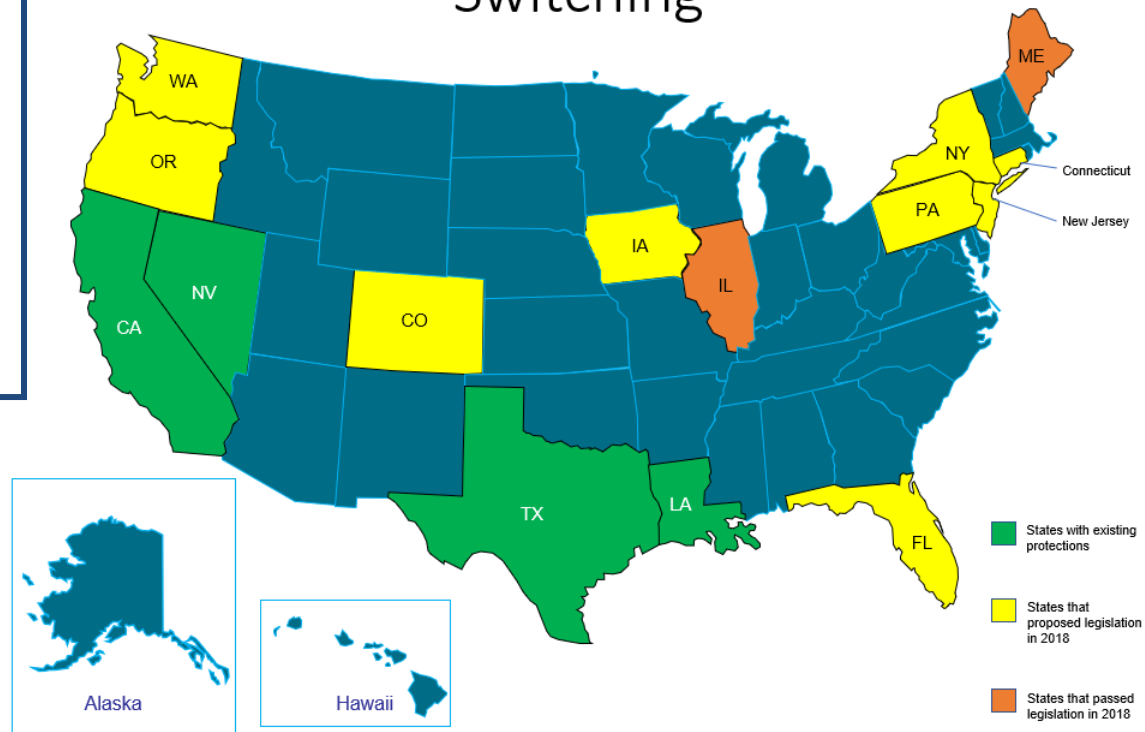


## At a Glance: 2018 Non-Medical Switching

### PUTTING PATIENTS FIRST

Several policymakers acknowledged the unique challenges faced by individuals living with chronic illness and the caregivers who support them. The 2018 legislative session gave rise to compassionate, comprehensive proposed legislation aimed at providing patient safety through non-medical switching bill language.



### BREAKING DOWN NON-MEDICAL SWITCHING LEGISLATION

Proposed measures relating to both midyear formulary changes and year-to-year protection language ensures children and adults don't lose access to the health plan benefits they signed up for.

#### FINANCIAL IMPACT

There is no reason to believe mid-year formulary language would increase health care costs. States with existing protections have had no documented fiscal impact whatsoever. Midyear insurance coverage changes regularly, however, does influence overall health care costs. Americans with rheumatoid arthritis, psoriasis, psoriatic arthritis, ankylosing spondylitis, or Crohn's disease who switch treatment due to a formulary change incur 37 percent higher medical costs and 26 percent higher total health care costs than those not switched.<sup>1</sup> Nonadherence to treatment regimens resulting from unexpected prescription coverage changes, contributes direct annual costs of \$100 billion to the nation's health care system. Indirect costs exceed \$1.5 billion annually in lost earnings and \$50 billion in lost productivity.<sup>2</sup>

#### DISRUPTIONS TO TREATMENT

Despite the claims of insurance lobbyists, prescription coverage reductions are not rare and, more importantly, are harmful; non-medical switching practices affect an increasing number of patients each year, which is why policymakers and patient advocates are calling for legislation that deters the protocol. According to a 2015 survey by the American Gastroenterological Association, 60 percent of provider respondents reported that a patient's biologic medication was switched due to insurance company rules.<sup>3</sup> The risk of hospitalization for patients suffering from diabetes mellitus, hypercholesterolemia, hypertension, or congestive heart failure doubles with non-adherence.<sup>4</sup> Proposed legislation this year encouraged insurers to add medicines to formularies, remove those that pose safety risks, or lower out-of-patient costs associated with medicines throughout the plan year.

<sup>1</sup> Chao, J., Lin, J., Liu, Y., & Skup, M. (2015) "Impact of non-medical switching on healthcare costs." *Value in Health*, Vol. 18 (Issue 3); A252.

<sup>2</sup> Partnership to Fight Chronic Disease. (2016) "Tennessee Statistics." Available at: <http://data.fightchronicdiseases.org/TN.html>

<sup>3</sup> American Gastroenterological Association National Survey, 2015.

<sup>4</sup> Poor medication adherence increases healthcare costs." *PharmacoEconomics & Outcomes News*. 2005;480:5