

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"Gov. Christie Signs Law Covering Oral Cancer Drugs," NJSpotlight, 1-18-12

Other:

7/16/10 - Reviewed by the Pension and Health Benefits Commission, Recommend to not enact. See meeting agenda and vote results at:

http://www.state.nj.us/treasury/pensions/pension_hb_review_commission10.shtml#julyv

A-2666 (Vainieri Huttle/Greenstein)/S-1834(Weinberg)

Requires health insurers to cover oral cancer drugs and related support drugs on same basis as intravenous cancer medications and related support drugs.

Motion: Recommend against enactment

Discussion: The Commission does not support legislatively mandating health benefit coverage since mandates generally tend to place the health insurance industry outside of the "free enterprise" system and drive up the cost of health insurance for both the employer provided coverage and individual policies.

LAW/RWH

§1 - C.17:48-6jj
§2 –
C.17:48A-7gg
§3 –
C.17:48E-35.34
§4 –
C.17B:26-2.1dd
§5 –
C.17B:27-46.1jj
§6 –
C.17B:27A-7.17
§7 –
C.17B:27A-19.21
§8 - C.26:2J-4.35
§9 –
C.52:14-17.29r
§10 –
C.52:14-17.46.6c
§11 - Note

(CORRECTED COPY)

P.L.2011, CHAPTER 188, *approved January 17, 2012*

Senate, No. 1834 (*First Reprint*)

1 AN ACT concerning health benefits coverage for oral ¹**[cancer]**
2 anticancer¹ medications and ¹**[revising]** supplementing¹ various
3 parts of statutory law.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. ¹a.¹ A hospital service corporation contract that provides
9 hospital and medical expense benefits and is delivered, issued,
10 executed, or renewed in this State pursuant to P.L.1938, c.366
11 (C.17:48-1 et seq.), or approved for issuance or renewal in this State
12 by the Commissioner of Banking and Insurance, on or after the
13 effective date of this act, shall provide coverage for expenses for
14 prescribed, orally administered anticancer medications used to kill
15 or slow the growth of cancerous cells ¹**[under the same terms and**
16 **conditions as]** on a basis no less favorable than¹ the contract
17 provides for intravenously administered or injected ¹**[cancer]**
18 anticancer¹ medications. ¹**[The contract shall also provide**
19 **coverage for expenses for medically necessary medications, such as**
20 **medications that maintain red or white cell counts and treat nausea,**
21 **that support the orally administered anticancer medications, under**

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCM committee amendments adopted September 19, 2011.

1 the same terms and conditions as the contract provides for
2 intravenously administered or injected cancer medications]

3 b. Pursuant to subsection a. of this section, coverage for
4 expenses for prescribed, orally administered anticancer medications
5 used to kill or slow the growth of cancerous cells shall not be
6 subject to any prior authorization, dollar limit, copayment,
7 deductible or coinsurance provision that does not apply to
8 intravenously administered or injected anticancer medications.

9 c. A hospital service corporation contract shall not achieve
10 compliance with the provisions of this section by imposing an
11 increase in patient cost sharing, including any copayment,
12 deductible or coinsurance, for anticancer medications, whether
13 intravenously administered or injected or orally administered, that
14 are covered under the contract as of the effective date of this act¹.

15 ¹d. This section shall apply to those hospital service
16 corporation contracts in which the hospital service corporation has
17 reserved the right to change the premium.

18

19 2. ¹a. A medical service corporation contract that provides
20 hospital and medical expense benefits and is delivered, issued,
21 executed, or renewed in this State pursuant to P.L.1940, c.74
22 (C.17:48A-1 et seq.), or approved for issuance or renewal in this
23 State by the Commissioner of Banking and Insurance, on or after
24 the effective date of this act, shall provide coverage for expenses
25 for prescribed, orally administered anticancer medications used to
26 kill or slow the growth of cancerous cells ¹[under the same terms
27 and conditions as] on a basis no less favorable than¹ the contract
28 provides for intravenously administered or injected ¹[cancer]
29 anticancer¹ medications. ¹[The contract shall also provide
30 coverage for expenses for medically necessary medications, such as
31 medications that maintain red or white cell counts and treat nausea,
32 that support the orally administered anticancer medications, under
33 the same terms and conditions as the contract provides for
34 intravenously administered or injected cancer medications]

35 b. Pursuant to subsection a. of this section, coverage for
36 expenses for prescribed, orally administered anticancer medications
37 used to kill or slow the growth of cancerous cells shall not be
38 subject to any prior authorization, dollar limit, copayment,
39 deductible or coinsurance provision that does not apply to
40 intravenously administered or injected anticancer medications.

41 c. A medical service corporation contract shall not achieve
42 compliance with the provisions of this section by imposing an
43 increase in patient cost sharing, including any copayment,
44 deductible or coinsurance, for anticancer medications, whether
45 intravenously administered or injected or orally administered, that
46 are covered under the contract as of the effective date of this act¹.

47 ¹d. This section shall apply to those medical service corporation

1 contracts in which the medical service corporation has reserved the
2 right to change the premium.

3
4 3. 'a.' A health service corporation contract that provides
5 hospital and medical expense benefits and is delivered, issued,
6 executed, or renewed in this State pursuant to P.L.1985, c.236
7 (C.17:48E-1 et seq.), or approved for issuance or renewal in this
8 State by the Commissioner of Banking and Insurance, on or after
9 the effective date of this act, shall provide coverage for expenses
10 for prescribed, orally administered anticancer medications used to
11 kill or slow the growth of cancerous cells '【under the same terms
12 and conditions as】 on a basis no less favorable than' the contract
13 provides for intravenously administered or injected '【cancer】
14 anticancer' medications. '【The contract shall also provide
15 coverage for expenses for medically necessary medications, such as
16 medications that maintain red or white cell counts and treat nausea,
17 that support the orally administered anticancer medications, under
18 the same terms and conditions as the contract provides for
19 intravenously administered or injected cancer medications】

20 b. Pursuant to subsection a. of this section, coverage for
21 expenses for prescribed, orally administered anticancer medications
22 used to kill or slow the growth of cancerous cells shall not be
23 subject to any prior authorization, dollar limit, copayment,
24 deductible or coinsurance provision that does not apply to
25 intravenously administered or injected anticancer medications.

26 c. A health service corporation contract shall not achieve
27 compliance with the provisions of this section by imposing an
28 increase in patient cost sharing, including any copayment,
29 deductible or coinsurance, for anticancer medications, whether
30 intravenously administered or injected or orally administered, that
31 are covered under the contract as of the effective date of this act'.

32 'd.' This section shall apply to those health service corporation
33 contracts in which the health service corporation has reserved the
34 right to change the premium.

35
36 4. 'a.' An individual health insurance policy that provides
37 hospital and medical expense benefits and is delivered, issued,
38 executed, or renewed in this State pursuant to N.J.S.17B:26-1 et
39 seq., or approved for issuance or renewal in this State by the
40 Commissioner of Banking and Insurance, on or after the effective
41 date of this act, shall provide coverage for expenses for prescribed,
42 orally administered anticancer medications used to kill or slow the
43 growth of cancerous cells '【under the same terms and conditions
44 as】 on a basis no less favorable than' the policy provides for
45 intravenously administered or injected '【cancer】 anticancer'
46 medications. '【The policy shall also provide coverage for expenses
47 for medically necessary medications, such as medications that

1 maintain red or white cell counts and treat nausea, that support the
2 orally administered anticancer medications, under the same terms
3 and conditions as the policy provides for intravenously
4 administered or injected cancer medications]

5 b. Pursuant to subsection a. of this section, coverage for
6 expenses for prescribed, orally administered anticancer medications
7 used to kill or slow the growth of cancerous cells shall not be
8 subject to any prior authorization, dollar limit, copayment,
9 deductible or coinsurance provision that does not apply to
10 intravenously administered or injected anticancer medications.

11 c. An individual health insurance policy shall not achieve
12 compliance with the provisions of this section by imposing an
13 increase in patient cost sharing, including any copayment,
14 deductible or coinsurance, for anticancer medications, whether
15 intravenously administered or injected or orally administered, that
16 are covered under the policy as of the effective date of this act¹.

17 ¹d. This section shall apply to those policies in which the
18 insurer has reserved the right to change the premium.

19

20 5. ¹a. A group health insurance policy that provides hospital
21 and medical expense benefits and is delivered, issued, executed, or
22 renewed in this State pursuant to N.J.S.17B:27-26 et seq., or
23 approved for issuance or renewal in this State by the Commissioner
24 of Banking and Insurance, on or after the effective date of this act,
25 shall provide coverage for expenses for prescribed, orally
26 administered anticancer medications used to kill or slow the growth
27 of cancerous cells ¹[under the same terms and conditions as] on a
28 basis no less favorable than¹ the policy provides for intravenously
29 administered or injected ¹[cancer] anticancer¹ medications. ¹[The
30 policy shall also provide coverage for expenses for medically
31 necessary medications, such as medications that maintain red or
32 white cell counts and treat nausea, that support the orally
33 administered anticancer medications, under the same terms and
34 conditions as the policy provides for intravenously administered or
35 injected cancer medications]

36 b. Pursuant to subsection a. of this section, coverage for
37 expenses for prescribed, orally administered anticancer medications
38 used to kill or slow the growth of cancerous cells shall not be
39 subject to any prior authorization, dollar limit, copayment,
40 deductible or coinsurance provision that does not apply to
41 intravenously administered or injected anticancer medications.

42 c. A group health insurance policy shall not achieve
43 compliance with the provisions of this section by imposing an
44 increase in patient cost sharing, including any copayment,
45 deductible or coinsurance, for anticancer medications, whether
46 intravenously administered or injected or orally administered, that
47 are covered under the policy as of the effective date of this act¹.

1 'd.' This section shall apply to those policies in which the
2 insurer has reserved the right to change the premium.

3
4 6. 'a.' An individual health benefits plan that is delivered,
5 issued, executed, or renewed in this State pursuant to P.L.1992,
6 c.161 (C.17B:27A-2 et seq.), on or after the effective date of this
7 act, shall provide coverage for expenses for prescribed, orally
8 administered anticancer medications used to kill or slow the growth
9 of cancerous cells '[under the same terms and conditions as] on a
10 basis no less favorable than' the plan provides for intravenously
11 administered or injected '[cancer] anticancer' medications. '[The
12 health benefits plan shall also provide coverage for expenses for
13 medically necessary medications, such as medications that maintain
14 red or white cell counts and treat nausea, that support the orally
15 administered anticancer medications, under the same terms and
16 conditions as the plan provides for intravenously administered or
17 injected cancer medications]

18 b. Pursuant to subsection a. of this section, coverage for
19 expenses for prescribed, orally administered anticancer medications
20 used to kill or slow the growth of cancerous cells shall not be
21 subject to any prior authorization, dollar limit, copayment,
22 deductible or coinsurance provision that does not apply to
23 intravenously administered or injected anticancer medications.

24 c. An individual health benefits plan shall not achieve
25 compliance with the provisions of this section by imposing an
26 increase in patient cost sharing, including any copayment,
27 deductible or coinsurance, for anticancer medications, whether
28 intravenously administered or injected or orally administered, that
29 are covered under the plan as of the effective date of this act '.

30 'd.' This section shall apply to those health benefits plans in
31 which the carrier has reserved the right to change the premium.

32
33 7. 'a.' A small employer health benefits plan that is delivered,
34 issued, executed, or renewed in this State pursuant to P.L.1992,
35 c.162 (C.17B:27A-17 et seq.), on or after the effective date of this
36 act, shall provide coverage for expenses for prescribed, orally
37 administered anticancer medications used to kill or slow the growth
38 of cancerous cells '[under the same terms and conditions as] on a
39 basis no less favorable than' the plan provides for intravenously
40 administered or injected '[cancer] anticancer' medications. '[The
41 health benefits plan shall also provide coverage for expenses for
42 medically necessary medications, such as medications that maintain
43 red or white cell counts and treat nausea, that support the orally
44 administered anticancer medications, under the same terms and
45 conditions as the plan provides for intravenously administered or
46 injected cancer medications]

1 b. Pursuant to subsection a. of this section, coverage for
2 expenses for prescribed, orally administered anticancer medications
3 used to kill or slow the growth of cancerous cells shall not be
4 subject to any prior authorization, dollar limit, copayment,
5 deductible or coinsurance provision that does not apply to
6 intravenously administered or injected anticancer medications.

7 c. A small employer health benefits plan shall not achieve
8 compliance with the provisions of this section by imposing an
9 increase in patient cost sharing, including any copayment,
10 deductible or coinsurance, for anticancer medications, whether
11 intravenously administered or injected or orally administered, that
12 are covered under the plan as of the effective date of this act ¹.

13 ¹d. This section shall apply to those health benefits plans in
14 which the carrier has reserved the right to change the premium.

15
16 8. ¹a. A health maintenance organization contract for health
17 care services that is delivered, issued, executed, or renewed in this
18 State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved
19 for issuance or renewal in this State by the Commissioner of
20 Banking and Insurance, on or after the effective date of this act,
21 shall provide health care services for prescribed, orally
22 administered anticancer medications used to kill or slow the growth
23 of cancerous cells ¹[under the same terms and conditions as] on a
24 basis no less favorable than¹ the contract provides for covered
25 intravenously administered or injected ¹[cancer] anticancer¹
26 medications. ¹[The contract shall also provide coverage for
27 expenses for medically necessary medications, such as medications
28 that maintain red or white cell counts and treat nausea, that support
29 the orally administered anticancer medications, under the same
30 terms and conditions as the contract provides for intravenously
31 administered or injected cancer medications]

32 b. Pursuant to subsection a. of this section, coverage for
33 expenses for prescribed, orally administered anticancer medications
34 used to kill or slow the growth of cancerous cells shall not be
35 subject to any prior authorization, dollar limit, copayment,
36 deductible or coinsurance provision that does not apply to
37 intravenously administered or injected anticancer medications.

38 c. A health maintenance organization contract shall not achieve
39 compliance with the provisions of this section by imposing an
40 increase in patient cost sharing, including any copayment,
41 deductible or coinsurance, for anticancer medications, whether
42 intravenously administered or injected or orally administered, that
43 are covered under the contract as of the effective date of this act ¹.

44 ¹d. This section shall apply to those contracts for health care
45 services under which the right to change the schedule of charges for
46 enrollee coverage is reserved.

1 9. 'a.' The State Health Benefits Commission shall ensure that
2 every contract purchased on or after the effective date of this act
3 that provides hospital or medical expense benefits shall provide
4 coverage for expenses for prescribed, orally administered anticancer
5 medications used to kill or slow the growth of cancerous cells
6 '【under the same terms and conditions as】 on a basis no less
7 favorable than' the contract provides for intravenously
8 administered or injected '【cancer】 anticancer' medications. '【The
9 contract shall also provide coverage for expenses for medically
10 necessary medications, such as medications that maintain red or
11 white cell counts and treat nausea, that support the orally
12 administered anticancer medications, under the same terms and
13 conditions as the contract provides for intravenously administered
14 or injected cancer medications】

15 b. Pursuant to subsection a. of this section, coverage for
16 expenses for prescribed, orally administered anticancer medications
17 used to kill or slow the growth of cancerous cells shall not be
18 subject to any prior authorization, dollar limit, copayment,
19 deductible or coinsurance provision that does not apply to
20 intravenously administered or injected anticancer medications.

21 c. A State Health Benefits Commission contract shall not
22 achieve compliance with the provisions of this section by imposing
23 an increase in patient cost sharing, including any copayment,
24 deductible or coinsurance, for anticancer medications, whether
25 intravenously administered or injected or orally administered, that
26 are covered under the contract as of the effective date of this act '.
27

28 10. 'a.' The School Employees' Health Benefits Commission
29 shall ensure that every contract purchased on or after the effective
30 date of this act that provides hospital or medical expense benefits
31 shall provide coverage for expenses for prescribed, orally
32 administered anticancer medications used to kill or slow the growth
33 of cancerous cells '【under the same terms and conditions as】 on a
34 basis no less favorable than' the contract provides for intravenously
35 administered or injected '【cancer】 anticancer' medications. '【The
36 contract shall also provide coverage for expenses for medically
37 necessary medications, such as medications that maintain red or
38 white cell counts and treat nausea, that support the orally
39 administered anticancer medications, under the same terms and
40 conditions as the contract provides for intravenously administered
41 or injected cancer medications.】

42 b. Pursuant to subsection a. of this section, coverage for
43 expenses for prescribed, orally administered anticancer medications
44 used to kill or slow the growth of cancerous cells shall not be
45 subject to any prior authorization, dollar limit, copayment,
46 deductible or coinsurance provision that does not apply to
47 intravenously administered or injected anticancer medications.

1 c. A School Employees' Health Benefits Commission contract
2 shall not achieve compliance with the provisions of this section by
3 imposing an increase in patient cost sharing, including any
4 copayment, deductible or coinsurance, for anticancer medications,
5 whether intravenously administered or injected or orally
6 administered, that are covered under the contract as of the effective
7 date of this act ¹.

8
9 11. This act shall take effect on the 180th day after enactment
10 and shall apply to all contracts and policies issued on or after the
11 effective date.

12

13

14

15

16 Requires health insurers to cover oral anticancer medications on
17 no less favorable basis than intravenous anticancer medications.

SENATE, No. 1834

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED MARCH 22, 2010

Sponsored by:

Senator LORETTA WEINBERG

District 37 (Bergen)

Senator NIA H. GILL

District 34 (Essex and Passaic)

Co-Sponsored by:

Senators Buono and Cardinale

SYNOPSIS

Requires health insurers to cover oral cancer drugs and related support drugs on same basis as intravenous cancer medications and related support drugs.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/20/2011)

1 AN ACT concerning health benefits coverage for oral cancer
2 medications and revising various parts of statutory law.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. A hospital service corporation contract that provides hospital
8 and medical expense benefits and is delivered, issued, executed, or
9 renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et
10 seq.), or approved for issuance or renewal in this State by the
11 Commissioner of Banking and Insurance, on or after the effective
12 date of this act, shall provide coverage for expenses for prescribed,
13 orally administered anticancer medications used to kill or slow the
14 growth of cancerous cells under the same terms and conditions as
15 the contract provides for intravenously administered or injected
16 cancer medications. The contract shall also provide coverage for
17 expenses for medically necessary medications, such as medications
18 that maintain red or white cell counts and treat nausea, that support
19 the orally administered anticancer medications, under the same
20 terms and conditions as the contract provides for intravenously
21 administered or injected cancer medications.

22 This section shall apply to those hospital service corporation
23 contracts in which the hospital service corporation has reserved the
24 right to change the premium.

25

26 2. A medical service corporation contract that provides hospital
27 and medical expense benefits and is delivered, issued, executed, or
28 renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et
29 seq.), or approved for issuance or renewal in this State by the
30 Commissioner of Banking and Insurance, on or after the effective
31 date of this act, shall provide coverage for expenses for prescribed,
32 orally administered anticancer medications used to kill or slow the
33 growth of cancerous cells under the same terms and conditions as
34 the contract provides for intravenously administered or injected
35 cancer medications. The contract shall also provide coverage for
36 expenses for medically necessary medications, such as medications
37 that maintain red or white cell counts and treat nausea, that support
38 the orally administered anticancer medications, under the same
39 terms and conditions as the contract provides for intravenously
40 administered or injected cancer medications.

41 This section shall apply to those medical service corporation
42 contracts in which the medical service corporation has reserved the
43 right to change the premium.

44

45 3. A health service corporation contract that provides hospital
46 and medical expense benefits and is delivered, issued, executed, or
47 renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et
48 seq.), or approved for issuance or renewal in this State by the

1 Commissioner of Banking and Insurance, on or after the effective
2 date of this act, shall provide coverage for expenses for prescribed,
3 orally administered anticancer medications used to kill or slow the
4 growth of cancerous cells under the same terms and conditions as
5 the contract provides for intravenously administered or injected
6 cancer medications. The contract shall also provide coverage for
7 expenses for medically necessary medications, such as medications
8 that maintain red or white cell counts and treat nausea, that support
9 the orally administered anticancer medications, under the same
10 terms and conditions as the contract provides for intravenously
11 administered or injected cancer medications.

12 This section shall apply to those health service corporation
13 contracts in which the health service corporation has reserved the
14 right to change the premium.

15

16 4. An individual health insurance policy that provides hospital
17 and medical expense benefits and is delivered, issued, executed, or
18 renewed in this State pursuant to N.J.S.17B:26-1 et seq., or
19 approved for issuance or renewal in this State by the Commissioner
20 of Banking and Insurance, on or after the effective date of this act,
21 shall provide coverage for expenses for prescribed, orally
22 administered anticancer medications used to kill or slow the growth
23 of cancerous cells under the same terms and conditions as the policy
24 provides for intravenously administered or injected cancer
25 medications. The policy shall also provide coverage for expenses
26 for medically necessary medications, such as medications that
27 maintain red or white cell counts and treat nausea, that support the
28 orally administered anticancer medications, under the same terms
29 and conditions as the policy provides for intravenously
30 administered or injected cancer medications.

31 This section shall apply to those policies in which the insurer has
32 reserved the right to change the premium.

33

34 5. A group health insurance policy that provides hospital and
35 medical expense benefits and is delivered, issued, executed, or
36 renewed in this State pursuant to N.J.S.17B:27-26 et seq., or
37 approved for issuance or renewal in this State by the Commissioner
38 of Banking and Insurance, on or after the effective date of this act,
39 shall provide coverage for expenses for prescribed, orally
40 administered anticancer medications used to kill or slow the growth
41 of cancerous cells under the same terms and conditions as the policy
42 provides for intravenously administered or injected cancer
43 medications. The policy shall also provide coverage for expenses
44 for medically necessary medications, such as medications that
45 maintain red or white cell counts and treat nausea, that support the
46 orally administered anticancer medications, under the same terms
47 and conditions as the policy provides for intravenously
48 administered or injected cancer medications.

1 This section shall apply to those policies in which the insurer has
2 reserved the right to change the premium.

3
4 6. An individual health benefits plan that is delivered, issued,
5 executed, or renewed in this State pursuant to P.L.1992, c.161
6 (C.17B:27A-2 et seq.), on or after the effective date of this act, shall
7 provide coverage for expenses for prescribed, orally administered
8 anticancer medications used to kill or slow the growth of cancerous
9 cells under the same terms and conditions as the plan provides for
10 intravenously administered or injected cancer medications. The
11 health benefits plan shall also provide coverage for expenses for
12 medically necessary medications, such as medications that maintain
13 red or white cell counts and treat nausea, that support the orally
14 administered anticancer medications, under the same terms and
15 conditions as the plan provides for intravenously administered or
16 injected cancer medications.

17 This section shall apply to those health benefits plans in which
18 the carrier has reserved the right to change the premium.

19
20 7. A small employer health benefits plan that is delivered,
21 issued, executed, or renewed in this State pursuant to P.L.1992,
22 c.162 (C.17B:27A-17 et seq.), on or after the effective date of this
23 act, shall provide coverage for expenses for prescribed, orally
24 administered anticancer medications used to kill or slow the growth
25 of cancerous cells under the same terms and conditions as the plan
26 provides for intravenously administered or injected cancer
27 medications. The health benefits plan shall also provide coverage
28 for expenses for medically necessary medications, such as
29 medications that maintain red or white cell counts and treat nausea,
30 that support the orally administered anticancer medications, under
31 the same terms and conditions as the plan provides for
32 intravenously administered or injected cancer medications.

33 This section shall apply to those health benefits plans in which
34 the carrier has reserved the right to change the premium.

35
36 8. A health maintenance organization contract for health care
37 services that is delivered, issued, executed, or renewed in this State
38 pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved for
39 issuance or renewal in this State by the Commissioner of Banking
40 and Insurance, on or after the effective date of this act, shall provide
41 health care services for prescribed, orally administered anticancer
42 medications used to kill or slow the growth of cancerous cells under
43 the same terms and conditions as the contract provides for covered
44 intravenously administered or injected cancer medications. The
45 contract shall also provide coverage for expenses for medically
46 necessary medications, such as medications that maintain red or
47 white cell counts and treat nausea, that support the orally
48 administered anticancer medications, under the same terms and

1 conditions as the contract provides for intravenously administered
2 or injected cancer medications.

3 This section shall apply to those contracts for health care
4 services under which the right to change the schedule of charges for
5 enrollee coverage is reserved.

6
7 9. The State Health Benefits Commission shall ensure that
8 every contract purchased on or after the effective date of this act
9 that provides hospital or medical expense benefits shall provide
10 coverage for expenses for prescribed, orally administered anticancer
11 medications used to kill or slow the growth of cancerous cells under
12 the same terms and conditions as the contract provides for
13 intravenously administered or injected cancer medications. The
14 contract shall also provide coverage for expenses for medically
15 necessary medications, such as medications that maintain red or
16 white cell counts and treat nausea, that support the orally
17 administered anticancer medications, under the same terms and
18 conditions as the contract provides for intravenously administered
19 or injected cancer medications.

20
21 10. The School Employees' Health Benefits Commission shall
22 ensure that every contract purchased on or after the effective date of
23 this act that provides hospital or medical expense benefits shall
24 provide coverage for expenses for prescribed, orally administered
25 anticancer medications used to kill or slow the growth of cancerous
26 cells under the same terms and conditions as the contract provides
27 for intravenously administered or injected cancer medications. The
28 contract shall also provide coverage for expenses for medically
29 necessary medications, such as medications that maintain red or
30 white cell counts and treat nausea, that support the orally
31 administered anticancer medications, under the same terms and
32 conditions as the contract provides for intravenously administered
33 or injected cancer medications..

34
35 11. This act shall take effect on the 180th day after enactment
36 and shall apply to all contracts and policies issued on or after the
37 effective date.

38
39

40 STATEMENT

41

42 This bill requires health insurance carriers (hospital, medical and
43 health service corporations, individual, small employer, and larger
44 group commercial insurers, and health maintenance organizations),
45 the State Health Benefits Program (SHBP), and the School
46 Employees' Health Benefits Program (SEHBP) to provide coverage
47 for expenses for prescribed, orally administered anticancer
48 medications used to kill or slow the growth of cancerous cells under

S1834 WEINBERG, GILL

6

1 the same terms and conditions as the policy or contract provides for
2 intravenously administered or injected cancer medications. The bill
3 also requires carriers, SHBP and SEHBP to provide coverage for
4 expenses for medically necessary medications, such as medications
5 that maintain red or white cell counts and treat nausea, that support
6 the orally administered anticancer medications, under the same
7 terms and conditions as the policy or contract provides for
8 intravenously administered or injected cancer medications.

FISCAL NOTE
SENATE, No. 1834
STATE OF NEW JERSEY
214th LEGISLATURE

DATED: JULY 19, 2011

SUMMARY

- Synopsis:** Requires health insurers to cover oral cancer drugs and related support drugs on same basis as intravenous cancer medications and related support drugs.
- Type of Impact:** Expenditure increase to the State General Fund, school district and local government funds.
- Agencies Affected:** The Division of Pensions and Benefits in the Department of the Treasury, boards of education, and local government entities.

Executive Estimate

Fiscal Impact	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY2013</u>
State Cost*	No Impact – See comments below		
Local Cost*	No Impact – See comments below		

*(SHBP and SEHBP only)

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
State Cost*	Indeterminate – See comments below		
Local Cost*	Indeterminate – See comments below		

*(SHBP and SEHBP only)

- The Office of Legislative Services (OLS) **does not concur** with the Executive Branch fiscal estimate.
- This bill would require health insurers and the State Health Benefits Program and the School Employees' Health Benefit Program (SHBP/SEHBP) to cover oral cancer drugs and related support drugs on the same basis as intravenous cancer medications and related support drugs.
- According to the Division of Pensions in the Department of the Treasury, there would be no additional costs to the State programs resulting from this bill because "the benefits mandated by this bill are already covered by the SHBP/SEHBP."

- The OLS notes that according to Medco, “there is an issue that the cost sharing arrangement differences between providing oral cancer drugs versus intravenous cancer treatments may have a gap. If the bill requires cost sharing parity, then the SHBP/SEHBP instead of the patient will have to absorb the cost differential.”
- The OLS notes that costs for local governments and boards of education that do not participate in the SHBP or the SEHBP may increase as the result of this bill, but the increase cannot be estimated due to insufficient data.
- The provisions of this bill will become effective on the 180th day after enactment and will apply to all contracts and policies issued on or after the effective date.

BILL DESCRIPTION

Senate Bill No. 1834 of 2010 requires health insurance carriers (hospital, medical and health service corporations, individual, small employer, and larger group commercial insurers, and health maintenance organizations), the SHBP, and the SEHBP to provide coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells under the same terms and conditions as the policy or contract provides for intravenously administered or injected cancer medications. The bill also requires carriers, SHBP and SEHBP to provide coverage for expenses for medically necessary medications, such as medications that maintain red or white cell counts and treat nausea, that support the orally administered anticancer medications, under the same terms and conditions as the policy or contract provides for intravenously administered or injected cancer medications.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to the Division of Pensions in the Department of the Treasury, there would be no additional costs to the SHBP/SEHBP resulting from this bill because the benefits mandated by this bill are already covered under the current Medco contract. Temodor, Afinitor, and Tykerb are examples of oral cancer drugs that are included in the SHBP/SEHBP Medco formulary for treating cancer.

OFFICE OF LEGISLATIVE SERVICES

The OLS **does not concur** with the Executive Branch fiscal estimate. The OLS notes that according to Medco “there is an issue that the cost sharing arrangement differences between providing oral cancer drugs versus intravenous cancer treatments may have a gap. If the bill requires cost sharing parity, then the SHBP/SEHBP instead of the patient will have to absorb the cost differential.”

The OLS also notes that this bill may also result in an increase in costs for local governments and boards of education that do not participate in the SHBP or in the SEHBP, if their existing plans do not already cover oral cancer and related support drugs. Nevertheless, this fiscal note

reflects potential costs associated with the SHBP and SEHBP only. Thus, the costs to local governments and boards of education that contract with a commercial health care benefit provider, for example, are not reflected in this fiscal note. The OLS is not able to estimate the number of local agencies that contract with a commercial health care benefit provider and the cumulative amount of premiums paid by local governments due to a lack of data.

Section: State Government

*Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1834

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 19, 2011

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 1834.

This bill, as amended, requires health insurance carriers (hospital, medical, and health service corporations, individual, small employer, and larger group commercial insurers, and health maintenance organizations), the State Health Benefits Program (SHBP), and the School Employees' Health Benefits Program (SEHBP) to provide coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells on a basis no less favorable than the policy or contract provides for intravenously administered or injected anti-cancer medications.

Committee Amendments

The committee amended the bill to:

-- require insurers to provide coverage for prescribed, orally administered anticancer medications, instead of on the same terms and conditions, on a basis no less favorable than the policy or contract provides for intravenously administered or injected anticancer medications;

-- stipulate that coverage for prescribed, orally administered anticancer medications are not to be subject to any prior authorization, dollar limit, copayment, deductible, or coinsurance provision that does not apply to intravenously administered or injected anticancer medications;

-- prohibit a contract or policy from achieving compliance with the provisions of the bill by imposing an increase in patient cost sharing for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract or policy as of the effective date of the bill; and

- remove from the bill the requirement that carriers, SHBP, and SEHBP provide coverage for expenses for medically necessary medications, such as medications that maintain red or white cell counts and treat nausea, that support the orally administered anticancer medications, under the same terms and conditions as the policy or

contract provides for intravenously administered or injected cancer medications.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1834

STATE OF NEW JERSEY

DATED: OCTOBER 13, 2011

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1834 (1R).

This bill requires health insurers, the State Health Benefits Program (SHBP), and the School Employees' Health Benefits Program (SEHBP) to cover oral anticancer medications on a basis no less favorable than intravenous anticancer medications.

The bill provides specifically as follows:

- Its provisions apply to health insurance carriers (hospital, medical and health service corporations, individual, small employer, and larger group commercial insurers, and health maintenance organizations), SHBP, and SEHBP.
- These carriers and programs are required to provide coverage, on a basis no less favorable than the policy or contract provides for intravenously administered or injected anticancer medications, for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells.
- Pursuant to this requirement, coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells are not to be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications.
- The contract or policy is not to achieve compliance with the provisions of this bill by imposing an increase in patient cost sharing, including any copayment, deductible or coinsurance, for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract or policy as of the effective date of the bill.
- The bill takes effect on the 180th day after enactment and applies to all contracts and policies issued on or after the effective date.

FISCAL IMPACT:

This bill will result in increased costs to the State for State employees and covered retirees to the extent that cost of an oral cancer drug exceeds the cost of the intravenous cancer drug because the bill prohibits passing additional costs on to patients in the form of additional co-pays or premiums (coinsurance). OLS cannot estimate what the future cost of oral anticancer drugs versus intravenous cancer drugs will be and how often they will be prescribed.

This bill may also result in an increase in costs for local governments and boards of education that do not participate in the SHBP or in the SEHBP, if their existing plans do not already cover oral cancer and related support drugs.

FISCAL NOTE
 [First Reprint]
SENATE, No. 1834
STATE OF NEW JERSEY
214th LEGISLATURE

DATED: JANUARY 5, 2012

SUMMARY

Synopsis: Requires health insurers to cover oral anticancer medications on no less favorable basis than intravenous anticancer medications.

Type of Impact: Expenditure increase to the State General Fund, school district and local government funds.

Agencies Affected: Department of the Treasury, Division of Pensions and Benefits, school districts, and local governments.

Executive Estimate¹

Fiscal Impact	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY2015</u>
State Cost*	\$2,598,000	\$2,598,000	Not provided
Local Cost*	\$2,752,000	\$2,752,000	Not provided

*(SHBP and SEHBP only)

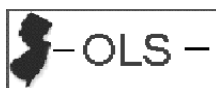
1. The Executive Branch revised its fiscal note based on information provided by Medco in the Senate Budget and Appropriations hearing on October 13, 2011

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
State Cost*		Indeterminate	
Local Cost*		Indeterminate	

*(SHBP and SEHBP only)

- The Office of Legislative Services (OLS) **can neither concur nor disagree** with the Executive Branch fiscal estimate because an explanation of the costs used to derive the estimate was not provided.
- This bill would require health insurers and the State Health Benefits Program and the School Employees' Health Benefits Program (SHBP/SEHBP) to cover oral anticancer medications on a basis that is no less favorable than intravenous anticancer medications, stipulates that coverage for prescribed, orally administered anticancer medications are not to be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications, and



prohibits a contract or policy from achieving compliance with the provisions of the bill by imposing an increase in patient cost sharing for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract or policy.

- According to the Division of Pensions in the Department of the Treasury, the additional costs to the State resulting from this bill are approximately \$5 million for the State and local government entities combined in FY 2013 and 2014.
- The OLS notes that the provision that stipulates that coverage for prescribed, orally administered anticancer medications are not to be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance eliminates the SHBP/SEHBP's ability to apply utilization management edits for drugs that require prior authorization to verify that the drugs are being prescribed in accordance with federal guidelines, and as such will increase costs to the programs for those drugs that will be automatically authorized that would not have otherwise been authorized.
- The OLS also notes that according to Medco, the pharmacy benefits manager for the SHBP/SEHBP, "there is an issue that the cost sharing arrangement differences between providing oral cancer drugs verses intravenous cancer treatments may have a gap. If the bill requires cost sharing parity, then the SHBP/SEHBP instead of the patient will have to absorb the cost differential."
- The OLS notes that costs for local governments and boards of education that do not participate in the SHBP or the SEHBP may increase as the result of this bill, but the increase cannot be estimated due to insufficient data.
- The provisions of this bill will become effective on the 180th day after enactment and will apply to all contracts and policies issued on or after the effective date.

BILL DESCRIPTION

Senate Bill No. 1834 (1R) of 2010 provides that health insurance carriers (hospital, medical and health service corporations, individual, small employer, and larger group commercial insurers, and health maintenance organizations), SHBP, and SEHBP are required to provide coverage, on a basis no less favorable than the policy or contract provides for intravenously administered or injected anticancer medications, for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells. Pursuant to this requirement, coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells are not to be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications. The contract or policy is not to achieve compliance with the provisions of this bill by imposing an increase in patient cost sharing, including any copayment, deductible or coinsurance, for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract or policy as of the effective date of the bill. The bill takes effect on the 180th day after enactment and applies to all contracts and policies issued on or after the effective date.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to the Division of Pensions in the Department of the Treasury, Medco estimates that the additional costs to the State and local entities to cover oral cancer medications on a no less favorable basis than intravenous anticancer medications would be approximately \$2.428 million and \$2.572 million, respectively, in FY 2012.

OFFICE OF LEGISLATIVE SERVICES

The OLS **can neither concur nor disagree** with the Executive Branch fiscal estimate because an explanation of the cost factors used to derive the estimate was not provided. The OLS notes that the provision that stipulates that coverage for prescribed, orally administered anticancer medications are not to be subject to any prior authorization eliminates the SHBP/SEHBP's ability to apply utilization management edits for drugs that require prior authorization to verify that the drugs are being prescribed in accordance with federal guidelines. Consequently, this provision will increase costs to the State for those drugs that will be automatically authorized that would not have otherwise been authorized. The OLS notes that according to Medco "there is an issue that the cost sharing arrangement differences between providing oral cancer drugs verses intravenous cancer treatments may have a gap. If the bill requires cost sharing parity, then the SHBP/SEHBP instead of the patient will have to absorb the cost differential."

The OLS notes that this bill may also result in an increase in costs for local governments and boards of education that do not participate in the SHBP or in the SEHBP, if their existing plans do not already cover oral cancer and related support drugs. Nevertheless, this fiscal note reflects potential costs associated with the SHBP and the SEHBP only. Thus, costs to local governments that contract with a commercial health care benefit provider, for example, are not reflected in this fiscal note. The OLS is not able to estimate the number of local agencies that contract with a commercial health care benefit provider and the cumulative amount of premiums paid by local governments due to a lack of data.

Section: State Government Section
Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst
Approved: David J. Rosen
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 2666

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED MAY 13, 2010

Sponsored by:

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblywoman LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Assemblywoman NANCY F. MUNOZ

District 21 (Essex, Morris, Somerset and Union)

Assemblyman RUBEN J. RAMOS, JR.

District 33 (Hudson)

Co-Sponsored by:

Assemblywoman Angelini

SYNOPSIS

Requires health insurers to cover oral cancer drugs and related support drugs on same basis as intravenous cancer medications and related support drugs.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/14/2011)

1 AN ACT concerning health benefits coverage for oral cancer
2 medications and revising various parts of statutory law.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. A hospital service corporation contract that provides hospital
8 and medical expense benefits and is delivered, issued, executed, or
9 renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et
10 seq.), or approved for issuance or renewal in this State by the
11 Commissioner of Banking and Insurance, on or after the effective
12 date of this act, shall provide coverage for expenses for prescribed,
13 orally administered anticancer medications used to kill or slow the
14 growth of cancerous cells under the same terms and conditions as
15 the contract provides for intravenously administered or injected
16 cancer medications. The contract shall also provide coverage for
17 expenses for medically necessary medications, such as medications
18 that maintain red or white cell counts and treat nausea, that support
19 the orally administered anticancer medications, under the same
20 terms and conditions as the contract provides for intravenously
21 administered or injected cancer medications.

22 This section shall apply to those hospital service corporation
23 contracts in which the hospital service corporation has reserved the
24 right to change the premium.

25

26 2. A medical service corporation contract that provides hospital
27 and medical expense benefits and is delivered, issued, executed, or
28 renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et
29 seq.), or approved for issuance or renewal in this State by the
30 Commissioner of Banking and Insurance, on or after the effective
31 date of this act, shall provide coverage for expenses for prescribed,
32 orally administered anticancer medications used to kill or slow the
33 growth of cancerous cells under the same terms and conditions as
34 the contract provides for intravenously administered or injected
35 cancer medications. The contract shall also provide coverage for
36 expenses for medically necessary medications, such as medications
37 that maintain red or white cell counts and treat nausea, that support
38 the orally administered anticancer medications, under the same
39 terms and conditions as the contract provides for intravenously
40 administered or injected cancer medications.

41 This section shall apply to those medical service corporation
42 contracts in which the medical service corporation has reserved the
43 right to change the premium.

44

45 3. A health service corporation contract that provides hospital
46 and medical expense benefits and is delivered, issued, executed, or
47 renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et
48 seq.), or approved for issuance or renewal in this State by the

1 Commissioner of Banking and Insurance, on or after the effective
2 date of this act, shall provide coverage for expenses for prescribed,
3 orally administered anticancer medications used to kill or slow the
4 growth of cancerous cells under the same terms and conditions as
5 the contract provides for intravenously administered or injected
6 cancer medications. The contract shall also provide coverage for
7 expenses for medically necessary medications, such as medications
8 that maintain red or white cell counts and treat nausea, that support
9 the orally administered anticancer medications, under the same
10 terms and conditions as the contract provides for intravenously
11 administered or injected cancer medications.

12 This section shall apply to those health service corporation
13 contracts in which the health service corporation has reserved the
14 right to change the premium.

15

16 4. An individual health insurance policy that provides hospital
17 and medical expense benefits and is delivered, issued, executed, or
18 renewed in this State pursuant to N.J.S.17B:26-1 et seq., or
19 approved for issuance or renewal in this State by the Commissioner
20 of Banking and Insurance, on or after the effective date of this act,
21 shall provide coverage for expenses for prescribed, orally
22 administered anticancer medications used to kill or slow the growth
23 of cancerous cells under the same terms and conditions as the policy
24 provides for intravenously administered or injected cancer
25 medications. The policy shall also provide coverage for expenses
26 for medically necessary medications, such as medications that
27 maintain red or white cell counts and treat nausea, that support the
28 orally administered anticancer medications, under the same terms
29 and conditions as the policy provides for intravenously
30 administered or injected cancer medications.

31 This section shall apply to those policies in which the insurer has
32 reserved the right to change the premium.

33

34 5. A group health insurance policy that provides hospital and
35 medical expense benefits and is delivered, issued, executed, or
36 renewed in this State pursuant to N.J.S.17B:27-26 et seq., or
37 approved for issuance or renewal in this State by the Commissioner
38 of Banking and Insurance, on or after the effective date of this act,
39 shall provide coverage for expenses for prescribed, orally
40 administered anticancer medications used to kill or slow the growth
41 of cancerous cells under the same terms and conditions as the policy
42 provides for intravenously administered or injected cancer
43 medications. The policy shall also provide coverage for expenses
44 for medically necessary medications, such as medications that
45 maintain red or white cell counts and treat nausea, that support the
46 orally administered anticancer medications, under the same terms
47 and conditions as the policy provides for intravenously
48 administered or injected cancer medications.

1 This section shall apply to those policies in which the insurer has
2 reserved the right to change the premium.

3
4 6. An individual health benefits plan that is delivered, issued,
5 executed, or renewed in this State pursuant to P.L.1992, c.161
6 (C.17B:27A-2 et seq.), on or after the effective date of this act, shall
7 provide coverage for expenses for prescribed, orally administered
8 anticancer medications used to kill or slow the growth of cancerous
9 cells under the same terms and conditions as the plan provides for
10 intravenously administered or injected cancer medications. The
11 health benefits plan shall also provide coverage for expenses for
12 medically necessary medications, such as medications that maintain
13 red or white cell counts and treat nausea, that support the orally
14 administered anticancer medications, under the same terms and
15 conditions as the plan provides for intravenously administered or
16 injected cancer medications.

17 This section shall apply to those health benefits plans in which
18 the carrier has reserved the right to change the premium.

19
20 7. A small employer health benefits plan that is delivered,
21 issued, executed, or renewed in this State pursuant to P.L.1992,
22 c.162 (C.17B:27A-17 et seq.), on or after the effective date of this
23 act, shall provide coverage for expenses for prescribed, orally
24 administered anticancer medications used to kill or slow the growth
25 of cancerous cells under the same terms and conditions as the plan
26 provides for intravenously administered or injected cancer
27 medications. The health benefits plan shall also provide coverage
28 for expenses for medically necessary medications, such as
29 medications that maintain red or white cell counts and treat nausea,
30 that support the orally administered anticancer medications, under
31 the same terms and conditions as the plan provides for
32 intravenously administered or injected cancer medications.

33 This section shall apply to those health benefits plans in which
34 the carrier has reserved the right to change the premium.

35
36 8. A health maintenance organization contract for health care
37 services that is delivered, issued, executed, or renewed in this State
38 pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved for
39 issuance or renewal in this State by the Commissioner of Banking
40 and Insurance, on or after the effective date of this act, shall provide
41 health care services for prescribed, orally administered anticancer
42 medications used to kill or slow the growth of cancerous cells under
43 the same terms and conditions as the contract provides for covered
44 intravenously administered or injected cancer medications. The
45 contract shall also provide coverage for expenses for medically
46 necessary medications, such as medications that maintain red or
47 white cell counts and treat nausea, that support the orally
48 administered anticancer medications, under the same terms and

1 conditions as the contract provides for intravenously administered
2 or injected cancer medications.

3 This section shall apply to those contracts for health care
4 services under which the right to change the schedule of charges for
5 enrollee coverage is reserved.

6
7 9. The State Health Benefits Commission shall ensure that
8 every contract purchased on or after the effective date of this act
9 that provides hospital or medical expense benefits shall provide
10 coverage for expenses for prescribed, orally administered anticancer
11 medications used to kill or slow the growth of cancerous cells under
12 the same terms and conditions as the contract provides for
13 intravenously administered or injected cancer medications. The
14 contract shall also provide coverage for expenses for medically
15 necessary medications, such as medications that maintain red or
16 white cell counts and treat nausea, that support the orally
17 administered anticancer medications, under the same terms and
18 conditions as the contract provides for intravenously administered
19 or injected cancer medications.

20
21 10. The School Employees' Health Benefits Commission shall
22 ensure that every contract purchased on or after the effective date of
23 this act that provides hospital or medical expense benefits shall
24 provide coverage for expenses for prescribed, orally administered
25 anticancer medications used to kill or slow the growth of cancerous
26 cells under the same terms and conditions as the contract provides
27 for intravenously administered or injected cancer medications. The
28 contract shall also provide coverage for expenses for medically
29 necessary medications, such as medications that maintain red or
30 white cell counts and treat nausea, that support the orally
31 administered anticancer medications, under the same terms and
32 conditions as the contract provides for intravenously administered
33 or injected cancer medications..

34
35 11. This act shall take effect on the 180th day after enactment
36 and shall apply to all contracts and policies issued on or after the
37 effective date.

38
39

40 STATEMENT

41

42 This bill requires health insurance carriers (hospital, medical and
43 health service corporations, individual, small employer, and larger
44 group commercial insurers, and health maintenance organizations),
45 the State Health Benefits Program (SHBP), and the School
46 Employees' Health Benefits Program (SEHBP) to provide coverage
47 for expenses for prescribed, orally administered anticancer
48 medications used to kill or slow the growth of cancerous cells under

A2666 VAINIERI HUTTLE, GREENSTEIN

6

1 the same terms and conditions as the policy or contract provides for
2 intravenously administered or injected cancer medications. The bill
3 also requires carriers, SHBP and SEHBP to provide coverage for
4 expenses for medically necessary medications, such as medications
5 that maintain red or white cell counts and treat nausea, that support
6 the orally administered anticancer medications, under the same
7 terms and conditions as the policy or contract provides for
8 intravenously administered or injected cancer medications.

ASSEMBLY HEALTH AND SENIOR SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2666

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 13, 2011

The Assembly Health and Senior Services Committee reports favorably and with committee amendments Assembly Bill No. 2666.

As amended by the committee, this bill requires health insurers, the State Health Benefits Program (SHBP), and the School Employees' Health Benefits Program (SEHBP) to cover oral anticancer medications on a basis no less favorable than intravenous anticancer medications.

The bill provides specifically as follows:

- Its provisions apply to health insurance carriers (hospital, medical and health service corporations, individual, small employer, and larger group commercial insurers, and health maintenance organizations), SHBP, and SEHBP.
- These carriers and programs are required to provide coverage, on a basis no less favorable than the policy or contract provides for intravenously administered or injected anticancer medications, for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells.
- Pursuant to this requirement, coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells are not to be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications.
- The contract or policy is not to achieve compliance with the provisions of this bill by imposing an increase in patient cost sharing, including any copayment, deductible or coinsurance, for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract or policy as of the effective date of the bill.
- The bill takes effect on the 180th day after enactment and applies to all contracts and policies issued on or after the effective date.

COMMITTEE AMENDMENTS

The committee amendments to the bill:

-- require insurers to provide coverage for prescribed, orally administered anticancer medications on a basis no less favorable than the policy or contract provides for intravenously administered or injected anticancer medications;

-- stipulate that coverage for prescribed, orally administered anticancer medications are not to be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications; and

-- prohibit a contract or policy from achieving compliance with the provisions of the bill by imposing an increase in patient cost sharing for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract or policy as of the effective date of the bill.

FISCAL NOTE
 [First Reprint]
ASSEMBLY, No. 2666
STATE OF NEW JERSEY
214th LEGISLATURE

DATED: JUNE 28, 2011

SUMMARY

Synopsis: Requires health insurers to cover oral anticancer medications on no less favorable basis than intravenous anticancer medications.

Type of Impact: Expenditure increase to the State General Fund, school district and local government funds.

Agencies Affected: Department of the Treasury, Division of Pensions and Benefits, school districts, and local governments.

Executive Estimate

Fiscal Impact	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY2013</u>
State Cost*	No Impact – See comments below		
Local Cost*	No Impact – See comments below		

*(SHBP and SEHBP only)

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY2013</u>
State Cost*	Indeterminate – See comments below		
Local Cost*	Indeterminate – See comments below		

*(SHBP and SEHBP only)

- The Office of Legislative Services (OLS) **does not concur** with the Executive Branch fiscal estimate.
- This bill would require health insurers and the State Health Benefits Program and the School Employees Health Benefit Program (SHBP/SEHBP) to cover oral anticancer medications on a basis that is no less favorable than intravenous anticancer medications, stipulates that coverage for prescribed, orally administered anticancer medications are not to be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications, and prohibits a contract or policy from achieving compliance with the provisions of the bill by

imposing an increase in patient cost sharing for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract or policy.

- According to the Division of Pensions in the Department of the Treasury, there would be no additional costs to the State resulting from this bill because “the benefits mandated by this bill are already covered by the SHBP/SEHBP.”
- The OLS notes that the provision that stipulates that coverage for prescribed, orally administered anticancer medications are not to be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance eliminates the SHBP/SEHBP’s ability to apply utilization management edits for drugs that require prior authorization to verify that the drugs are being prescribed in accordance with federal guidelines, and as such will increase costs to the programs for those drugs that will be automatically authorized that would not have otherwise been authorized.
- The OLS also notes that according to Medco “there is an issue that the cost sharing arrangement differences between providing oral cancer drugs verses intravenous cancer treatments may have a gap. If the bill requires cost sharing parity, then the SHBP/SEHBP instead of the patient will have to absorb the cost differential.”
- The OLS notes that costs for local governments and boards of education that do not participate in the SHBP or the SEHBP may increase as the result of this bill, but the increase cannot be estimated due to insufficient data.
- The provisions of this bill will become effective on the 180th day after enactment and shall apply to all contracts and policies issued on or after the effective date.

BILL DESCRIPTION

Assembly Bill No. 2666 (1R) of 2010 provides that health insurance carriers (hospital, medical and health service corporations, individual, small employer, and larger group commercial insurers, and health maintenance organizations), SHBP, and SEHBP are required to provide coverage, on a basis no less favorable than the policy or contract provides for intravenously administered or injected anticancer medications, for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells. Pursuant to this requirement, coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells are not to be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications. The contract or policy is not to achieve compliance with the provisions of this bill by imposing an increase in patient cost sharing, including any copayment, deductible or coinsurance, for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract or policy as of the effective date of the bill. The bill takes effect on the 180th day after enactment and applies to all contracts and policies issued on or after the effective date.

FISCAL ANALYSIS***EXECUTIVE BRANCH***

According to the Division of Pensions in the Department of the Treasury, there would be no additional costs to the programs resulting from this bill because “the benefits mandated by this bill are already covered by the SHBP/SEHBP” under the current Medco contract. Temodor, Afinitor, and Tykerb are examples of oral cancer drugs that are included in the SHBP/SEHBP Medco formulary for treating cancer.

OFFICE OF LEGISLATIVE SERVICES

The OLS **does not concur** with the Executive Branch fiscal estimate. The OLS notes that the provision that stipulates that coverage for prescribed, orally administered anticancer medications are not to be subject to any prior authorization eliminates the SHBP/SEHBP’s ability to apply utilization management edits for drugs that require prior authorization to verify that the drugs are being prescribed in accordance with federal guidelines. Consequently, this provision will increase costs to the State for those drugs that will be automatically authorized that would not have otherwise been authorized. The OLS also notes that according to Medco “there is an issue that the cost sharing arrangement differences between providing oral cancer drugs verses intravenous cancer treatments may have a gap. If the bill requires cost sharing parity, then the SHBP/SEHBP instead of the patient will have to absorb the cost differential.”

The OLS also notes that this bill may also result in an increase in costs for local governments and boards of education that do not participate in the SHBP or in the SEHBP, if their existing plans do not already cover oral cancer and related support drugs. Nevertheless, this fiscal note reflects potential costs associated with the SHBP and SEHBP only. Thus, the costs to local governments that contract with a commercial health care benefit provider, for example, are not reflected in this fiscal note. The OLS is not able to estimate the number of local agencies that contract with a commercial health care benefit provider and the cumulative amount of premiums paid by local governments due to a lack of data.

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This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).