

August 26, 2010

The Honorable Arnold Schwarzenegger  
Governor, State of California  
State Capitol  
Sacramento, CA 95814

**RE: Senate Bill 961 (Wright) – REQUEST FOR SIGNATURE**

Dear Governor Schwarzenegger:

On behalf of the California Healthcare Institute (CHI), the statewide public policy association representing our innovative life sciences sector -- biotechnology, pharmaceutical, medical device and diagnostics companies, venture capital firms, research universities and institutes and its 275,000 workers – I am writing to request that you sign SB 961, a bill that will require health care service plan contracts and health insurance policies that provide prescription coverage to provide coverage for orally administered anti-cancer medications at no greater cost than in-office chemotherapy treatments.

Cancer patients in California today face an unfortunate paradox. While advances in orally administered anti-cancer medications have increased the range of available remedies and provide a means to avoid chemotherapy administration in a doctor's office, health care service plans and insurance policies do not cover these treatment options at the same level that in-patient care is covered. When a patient is administered chemotherapy in the doctor's office, they are required to pay a co-payment for the visit, but not a separate co-payment for the chemotherapy product itself. However, orally-administered cancer drugs are subject to extraordinary co-payment schedules on most health care service plans and insurance policies. On top of paying the co-payment for the doctor's visit, patients are often left paying

out-of-pocket for these life-saving cancer treatments in amounts that are financially devastating.

To be sure, most orally-administered cancer treatments that are covered under a plan's pharmacy benefit are typically placed on a fourth or specialty tier of a prescription plan's formulary. According to the Kaiser Family Foundation, the average co-insurance rate for 4th tier drugs is 28 percent. For a \$3,000 per month oral anticancer medication, this could mean close to \$900 in out-of-pocket spending by a patient. For many patients, this simply means that they do not have access to the treatments that have been recommended for them by their oncologists, and many orally administered cancer treatments are not interchangeable with chemotherapy treatments administered intravenously.

CHI member companies are at the heart of the biomedical research that has produced remarkable breakthroughs in orally-administered cancer treatment. Our biomedical researchers in the San Francisco and San Diego areas have tackled this vexing problem for several decades now. Our member companies know that our treatments are only effective when patients have access to them.

Patients who can benefit from orally-administered chemotherapy products can continue to remain active and lead productive lives, without often time-consuming and intrusive intravenous chemotherapy administrations. SB 961 would ensure that cancer patients have the most treatment options available to them when designing their treatment plans with their oncologist. For these reasons, we strongly encourage you to sign SB 961.

Please feel free to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Pizarro". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sandra Pizarro  
Vice President – State Government Affairs