

April 12, 2013

The Honorable Richard Pan
Chair
Assembly Health Committee
California State Assembly
State Capitol, Room 6005
Sacramento, CA 95814

RE: AB 889 (Frazier): Improving Patient Care - SUPPORT

Dear Assembly Member Pan:

On behalf of the California Healthcare Institute (CHI), the statewide public policy association representing the 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 in support of AB 889: Improving Patient Care.

Currently, many health plans use step therapy, or “fail first,” a process requiring patients to try alternative medicines before being permitted to receive the medication ordered by their physician. Some patients are required to try as many as five different medications, and for a length of time determined by their health plan. Often, patients are not even aware of the change until they arrive at the pharmacy. Although health plans argue that step therapy is a cost-saving measure, research shows that it can actually increase healthcare costs due to emergency room visits, unscheduled hospital admissions, time missed at work or loss of job.

AB 889 would limit health plans from requiring more than two medications be tried before allowing the patient to have the medication prescribed by their doctor. AB 889 would also requires health plans to have an expeditious process in place for step therapy exceptions, and that the duration of step therapy be consistent with up-to-date evidence-based outcomes and current published peer-reviewed medical and pharmaceutical literature.

For these reasons, we strongly support AB 889.

Sincerely,



Eve Bukowski
Vice President – State Government Affairs
916-443-5576
bukowski@chi.org

cc: Members, Assembly Health Committee