

How are we protecting our most vulnerable patients?

Sticker shock is hitting even those who have health insurance

Increasingly in Oregon and around the country, access to medications that treat common and complex diseases such as cancer, multiple sclerosis, HIV/AIDS, and rheumatoid arthritis are out reach. Who and where are these patients and how can they be helped?

How can we all prevent health insurers from creating discriminatory price increases- “*specialty tier pricing*” – on vulnerable patient populations? The specialty tier pricing model causes concern as an insurer practice that limits access to medications and creates higher costs for patients.

These comprise insurers costs that gets cost shifted directly to patients.

A [national consumer study](#) completed last month by NERA Economic Consulting found that a wide majority of Medicare beneficiaries are uninformed about the out-of-pocket costs associated with medications placed on specialty tiers by their insurers. Typically, Oregon insurers make a third and fourth formulary category, also called “specialty tiers,” that includes higher-cost brand name medicines.

The [study](#) found that as many as half of the beneficiaries surveyed “mistakenly believed their drug plan would require them to pay a co-pay rather than co-insurance for a drug on a specialty tier.” This means these Medicare recipients are underestimating their medicine costs by as much as 35 percent.

For example, a person living with multiple sclerosis might today pay a \$55 co-payment for medication. Under a specialty tier cost structure, the patient might pay between \$750 and \$990 per month. Similarly, some cancer patients saw their coinsurance for one of the most-used therapies increased from \$854 per month to \$1,366 per month.

A story from Orlando, Florida’s Sun-Sentinel ran in several newspapers last month, “[Insurers raising the co-pays for expensive drugs.](#)” The article pointed out that specialty tier cost plans are at the discretion of the insurer and thus unfairly price out drugs at fee levels that hinder patients from affording them, as set by their insurer.

Perhaps just as disturbing as the discriminatory cost structure of specialty tiers, is the seeming arbitrariness with which insurers can move a patient’s medication into the most expensive categories. An Oregon patient living with a chronic disease such as arthritis, for example, can select an insurance plan based on the cost of their specific medication, but the insurer is free to move that medication into an expensive “specialty tier” later that same year, often with no advance warning or notice to that patient.

Health agencies across Oregon are working to keep medicines affordable and in the hands of patients who need them. If you know of any providers or patients who may be willing to share their stories about needing specialty medications but have issues with access due to their insurers’ pricing. contact Oregon Healthwire at info@oregonhealthwire.com or via phone (503) 201-7019 to share your story.