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The Honorable John F. McKeon
Chairman, Assembly Financial Institutions and Insurance Committee
250 Main Street
Madison, NJ 07940

Via e-mail: AsmMcKeon@njleg.org

Dear Chairman McKeon:

On behalf of the American Society of Hematology (ASH), which represents more than 17,000 clinicians and scientists committed to the study and treatment of blood and blood-related diseases, I am writing to extend the Society's sincere appreciation for your support of patients in New Jersey with blood diseases and other chronic conditions and to respectfully urge you to bring Assembly Bill 2431 forward for a hearing and move it out of the Assembly Financial Institutions and Insurance Committee for a full vote. The Society strongly supports A2431, which will positively impact thousands of patients treated by hematologists in New Jersey by removing some of the cost barriers to accessing necessary prescription medications.

Thanks to innovative new treatments, many diseases that were once fatal are now being treated as chronic conditions and, for other diseases, new treatments have greatly increased average life expectancy. For example, therapies such as Gleevec – used to treat patients with certain types of leukemia – have turned a once life threatening diagnosis into a condition that can be managed with a daily pill.

Sadly, insurance coverage has not kept pace with innovation in medicine and these breakthrough treatments are out of reach for many patients due to high deductibles, coinsurance and significant co-pays required by some insurers. In order to access certain medications, health plans often require patients to pay co-insurance – a percentage of the actual cost of a medicine – rather than a flat co-pay. This happens commonly with medications used to treat cancer, HIV/AIDS, arthritis, multiple sclerosis, and many other debilitating and life-threatening diseases. Co-insurance can translate to thousands of dollars in cost sharing for just a one-month supply of a medication, placing severe financial strain on patients who are already among the most vulnerable.

As a result, patients are sometimes forced to make their treatment choice based on cost, rather than efficacy, with devastating results. When cost becomes a barrier to access, patients do not use their medications appropriately, skipping doses in order to save money or abandoning a treatment all together. Studies have shown prescription abandonment rates increase significantly when patient cost sharing exceeds \$100.* These burdensome cost sharing designs have been very common in many of the health plans sold on New Jersey's health insurance exchange.

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A2431 will greatly reduce the financial burden that patients in New Jersey with blood cancers and other diseases currently face in order to take necessary therapies by placing maximums on the out-of-pocket costs that patients can be required to pay for each prescription medication. The legislation caps patient out of pocket maximums for state regulated plans at \$100 per 30 day supply for silver, gold and platinum plans and \$200 in bronze level plans. These changes would dramatically improve affordability for patients without significantly altering the existing insurance marketplace. While this legislation will not solve the problem of high drug prices, it will certainly help remove the high cost burden on many patients.

Thank you for your leadership by holding a hearing on this legislation in the Assembly Financial Institutions and Insurance Committee. ASH remains committed to removing barriers to access to care and the heavy cost burdens on hematology patients. Please do not hesitate to contact ASH Legislative Advocacy Manager Tracy Roades (202-776-0544 or troades@hematology.org) or ASH Government Relations Coordinator Foster Curry (202-776-0544 or fcurry@hematology.org) if you have any questions or need additional information.

Sincerely,



Alexis Thompson, MD, MPH
President

Cc: Assemblywoman Lampitt
Assemblyman Auth
Assemblyman Danielsen
Assemblywoman DeCroce
Assemblywoman Downey
Assemblyman Freiman
Assemblywoman Lopez
Assemblywoman Murphy
Assemblyman Peters
Assemblywoman Quijano
Assemblyman Schaer
Assemblyman Webber

* Streeter, S.B., Schwartzberg, L., Husain, N., Johnsrud, M. "Patient and plan characteristics affecting abandonment of oral oncolytic prescriptions." *American Journal of Managed Care*. 2011. 175 (5 Spec No.): SP38-SP44.