



## New York's Oral Chemotherapy Parity Law: What Clinicians Need to Know



### **Outdated coverage policies in New York USED TO limit cancer patients' access to life-saving drugs!**

Traditionally, IV chemotherapy treatments are covered under a health plan's medical benefit where the patient is required to pay an office visit copay, usually between \$20 and \$30. Conversely, oral anticancer medications are covered under a health plan's prescription benefit and, many times, patients are responsible for extremely high and unmanageable copays, creating an enormous barrier for patients to access orally administered drugs. According to a recent study published in the *Journal of Oncology Practice* and *American Journal of Managed Care*, 10% of cancer patients failed to fill their initial prescriptions for oral anticancer medications due to high out-of-pocket costs.

### **Legislative Solution**

In an effort to remove barriers to accessing life-saving treatments for cancer patients, New York enacted legislation, effective January 1, 2012, that directs health benefit plans that provide coverage for cancer chemotherapy treatment to extend coverage for orally administered anticancer medication at a cost no less favorable to the cost of intravenously administered or injected anticancer medications. Additionally, plans may not increase the out-of-pocket cost to patients to achieve compliance. **To view New York's oral parity law, please see next page.**

### **What Does This Mean for Patients?**

If a patient is *privately insured (the law does not apply to Medicare)*, and their plan covers chemotherapy, an FDA-approved, orally administered drug should have the same out-of-pocket costs for the patient as an intravenously administered drug.

### **What to do if an insurance plan does not comply & to find out if the law applies to your health plan:**

Please contact the NY Department of Financial Services, Consumer Assistance Unit at 1-800-342-3736 or visit them on the web at <http://www.dfs.ny.gov/consumer/fileacomplaint.htm>. For information about our oral parity work in Washington, DC, please go to: [peac.myeloma.org](http://peac.myeloma.org).



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NEW YORK CONSOLIDATED LAW SERVICE

INSURANCE LAW

ARTICLE 32. INSURANCE CONTRACTS--LIFE, ACCIDENT AND HEALTH, ANNUITIES

NY CLS Ins § 3216 (2012)

§ 3216. Individual accident and health insurance policy provisions

(i) Every person insured under a policy of accident and health insurance delivered or issued for delivery in this state shall be entitled to the reimbursements and coverages specified below.

(12-a)

(A) Every policy delivered or issued for delivery in this state that provides medical, major medical, or similar comprehensive-type coverage and provides coverage for prescription drugs and also provide coverage for cancer chemotherapy treatment shall provide coverage for a prescribed, orally administered anticancer medication used to kill or slow the growth of cancerous cells and shall apply the lower cost sharing of either (i) anticancer medication under the prescription drug benefit or (ii) intravenous or injected anticancer medications. For the purposes of this section "cost sharing" shall include co-pays, coinsurance, and deductibles as deemed appropriate by the superintendent.

(B) An insurer providing coverage under this paragraph and any participating entity through which the insurer offers health services shall not:

(i) vary the terms of the policy for the purpose or with the effect of avoiding compliance with this paragraph;

(ii) provide incentives (monetary or otherwise) to encourage a covered person to accept less than the minimum protections available under this paragraph;

(iii) penalize in any way or reduce or limit the compensation of a health care practitioner for recommending or providing care to a covered person in accordance with this paragraph;

(iv) provide incentives (monetary or otherwise) to a health care practitioner relating to the services provided pursuant to this paragraph intended to induce or have the effect of inducing such practitioner to provide care to a covered person in a manner inconsistent with this paragraph; or

(v) achieve compliance with this paragraph by imposing an increase in cost sharing for an intravenous or injected anticancer medication.

NEW YORK CONSOLIDATED LAW SERVICE

INSURANCE LAW

ARTICLE 32. INSURANCE CONTRACTS--LIFE, ACCIDENT AND HEALTH, ANNUITIES

NY CLS Ins § 3221 (2012)

§ 3221. Group or blanket accident and health insurance policies; standard provisions



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(l)(12-a)

(A) Every policy delivered or issued for delivery in this state that provides medical, major medical, or similar comprehensive-type coverage and provides coverage for prescription drugs and also provides coverage for cancer chemotherapy treatment shall provide coverage for a prescribed, orally administered anticancer medication used to kill or slow the growth of cancerous cells and shall apply the lower cost sharing of either (i) anticancer medication under the prescription drug benefit or (ii) intravenous or injected anticancer medications. For the purposes of this section "cost sharing" shall include co-pays, coinsurance, and deductibles as deemed appropriate by the superintendent.

(B) An insurer providing coverage under this paragraph and any participating entity through which the insurer offers health services shall not:

(i) vary the terms of the policy for the purpose or with the effect of avoiding compliance with this paragraph;

(ii) provide incentives (monetary or otherwise) to encourage a covered person to accept less than the minimum protections available under this paragraph;

(iii) penalize in any way or reduce or limit the compensation of a health care practitioner for recommending or providing care to a covered person in accordance with this paragraph;

(iv) provide incentives (monetary or otherwise) to a health care practitioner relating to the services provided pursuant to this paragraph intended to induce or have the effect of inducing such practitioner to provide care to a covered person in a manner inconsistent with this paragraph; or

(v) achieve compliance with this paragraph by imposing an increase in cost sharing for an intravenous or injected anticancer medication.

### NEW YORK CONSOLIDATED LAW SERVICE

#### INSURANCE LAW

#### ARTICLE 43. NON-PROFIT MEDICAL AND DENTAL INDEMNITY, OR HEALTH AND HOSPITAL SERVICE CORPORATIONS

NY CLS Ins § 4303 (2012)

§ 4303. Benefits  
(q-1)

(1) Every policy issued by a medical expense indemnity corporation, a hospital service corporation or a health service corporation for delivery in this state that provides medical, major medical or similar comprehensive-type coverage and provides coverage for prescription drugs and for cancer chemotherapy treatment shall provide coverage for a prescribed, orally administered anticancer medication used to kill or slow the growth of cancerous cells and shall apply the lower cost sharing of either (A) anticancer medication under the prescription drug benefit or (B) intravenous or injected

anticancer medications. For the purposes of this section "cost sharing" shall include co-payments, coinsurance, and deductibles as deemed appropriate by the superintendent.



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(2) An insurer providing coverage under this paragraph and any participating entity through which the insurer offers health services shall not:

(A) vary the terms of the policy for the purpose or with the effect of avoiding compliance with this paragraph;

(B) provide incentives (monetary or otherwise) to encourage a covered person to accept less than the minimum protections available under this paragraph;

(C) penalize in any way or reduce or limit the compensation of a health care practitioner for recommending or providing care to a covered person in accordance with this paragraph;

(D) provide incentives (monetary or otherwise) to a health care practitioner relating to the services provided pursuant to this paragraph intended to induce or have the effect of inducing such practitioner to provide care to a covered person in a manner inconsistent with this paragraph; or

(E) achieve compliance with this paragraph by imposing an increase in cost sharing for an intravenous or injected anticancer medication.