



Texas Patient Sentiment toward Non-Medical Prescription Drug Switching by Health Insurance Companies



Background

Although formularies and other utilization management techniques may help contain costs for third-party payers, potential savings often come at the expense of patients' health. One major example is non-medical switching, which occurs when a health plan's formulary changes in a way that monetarily pressures patients to cease filling their prescribed medication in lieu of a "preferred" or cheaper drug. Non-medical switching can occur during the health plan year. Formulary changes may include:

- **Completely removing a patient's medication from the formulary;**
- **Increasing the patient's out-of-pocket costs;**
- **Changing the tier of the patient's drug or adding new restrictions on the medication.**

Whatever form it takes and whenever it occurs, non-medical switching can be very harmful to patients. As a result of being switched from their original, clinician-prescribed medication, patients may experience additional side effects, symptoms, disease progression, and potentially relapse. Beyond the immeasurable impact of this unnecessary suffering, the negative effects of non-medical switching can result in additional medical appointments, emergency room visits, and even hospitalization, thereby actually increasing overall healthcare utilization costs.

Methodology

Between June and August 2018, GHLF and NICA partnered with the Coalition for Stable Patients, which consists of 18 diverse patient and clinician advocacy organizations representing hundreds of thousands of residents in Texas living with chronic illness and their care providers. Together they invited Texas residents living with a chronic or rare illness to complete an online, 37-item survey that investigated patient experiences with the manipulation of their respective health plans' formularies.

Despite this, the impact of non-medical switching on patients has been remarkably unmeasured and ignored by health insurance and pharmacy benefit management companies. In order to better understand how Texas patients are affected by this harmful utilization management technique, Global Healthy Living Foundation (www.ghlf.org) and the National Infusion Center Association (www.infusioncenter.org) surveyed Texas residents living with chronic diseases. The survey's aim was two-fold in measuring:

- **The prevalence of Texas residents who are living with chronic diseases being pressured to switch from their clinician-prescribed medicine for non-medical reasons; and**
- **The adverse physical, mental, emotional, and productivity impact of non-medical switching.**

In order to complete the survey, eligible respondents had to be:

- **Diagnosed by a physician with a chronic or rare disease; and**
- **Currently living in Texas**

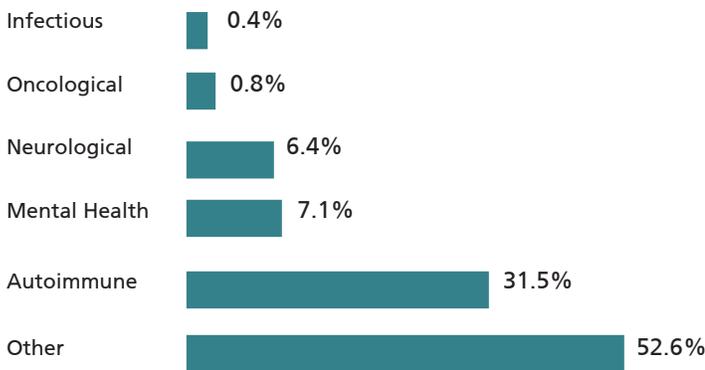
Prospective respondents who did not meet these two eligibility criteria were disqualified and prevented from completing the survey.

Executive Summary of Results

A total of 716 people started the online survey. Of the 716 participants, 288 did not complete the survey and 162 were disqualified for either not having a chronic or rare disease or for not being a Texas resident. The total number of participants who completed the survey is 266; only completed responses were analyzed.

Although respondents' individual diseases varied widely, five separate major classes were represented: autoimmune (31.5%), mental health (7.1%), neurological (6.4%), oncological (0.8%), infectious (0.4%) and other (52.6%). A majority were female (84.6%), white (88.7%) and college-educated (69.3%). More of the participants were unemployed (57.9%) than were employed (38.6%), either full-time, part-time, or self-employed. The majority of participants (51.9%) reported having a household income of \$50,000 or less per year. Regarding health insurance, 36.0% of participants have Medicare and/or Medicaid, 49.4% have private insurance, and 7.1% have an 'other' form of insurance. Six of the participants reported not to have health insurance.

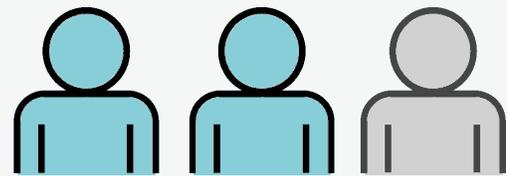
Individual Diseases



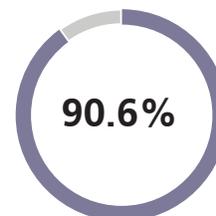
How many patients does non-medical switching negatively impact?

Results of this survey show that it is commonplace for chronic and rare disease patients in Texas to experience sudden decreases in prescription medication coverage. Almost two-thirds (67.7%) reported that their insurance company switched their medication to a drug that was different from the one their physician prescribed as the result of a formulary change.

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As much as 66.7% of those patients did not have the opportunity to reject and/or decline the medication switch. Approximately three-fourths (75.6%) reported that the primary therapy prescribed to them became suddenly and significantly more expensive to obtain. The vast majority of respondents (90.6%) reported now paying more out-of-pocket for their prescribed medication, with 77.4% reporting to pay a lot more. Overall, effectively, nearly three-fourths (73.6%) of our survey respondents reported being financially coerced by their insurance companies to change their clinician-prescribed medication for non-medical reasons.

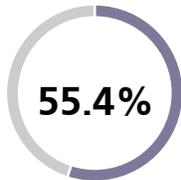


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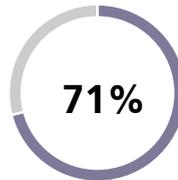
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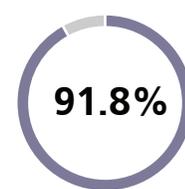
How does non-medical switching impact patient's treatment and health?



Non-medical switching was shown to cause more than one in two (55.4%) of the survey respondents to try multiple medications before finding another suitable drug that satisfactorily worked for them.



A significant majority of respondents (71.0%) reported that they found their new medication to be less effective than the one they had previously taken.



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Side effects were found to be a concern for patients who were non-medically switched. About half of respondents (49.3%) reported experiencing them on their new medication. When asked to compare the side effects to their previous medication, 91.8% reported that the side effects were worse, with 52.1% reporting that they were much worse. No respondents reported their side effects being better, and only 8.2% reported the side effects staying about the same. Of the people who did experience side effects, 43.3% reported seeing their health care provider, going to the emergency room, or both as a result of the complications they were experiencing. As much as 10.9% were hospitalized.

In addition, we aimed to assess some important ramifications associated with switching to a new or different medication for non-medical reasons. After sudden changes were made to patients' prescription medication insurance coverage, 60.2% of respondents reported that their ability to obtain medication was delayed. A significant majority of respondents (71.0%) reported that the medication they switched to worked somewhat worse or much worse than the originally



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prescribed medication. Thirty percent of the respondents reported having to miss work as a result of reactions or complications stemming from their condition after they were forced to switch, and 42.6% reported that their ability to spend time with their family or loved ones was worsened.

Do insurers properly communicate formulary changes to patients?

When investigating communications by third-party payers to inform patients about formulary changes, our survey found that more than one-third (35.9%) of all respondents reported never receiving any notifications, such as letters, emails, or phone calls, communicating details of their plan's formulary or changes being made to it.

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44% of respondents reported that their pharmacist informed them of the altered coverage to their prescribed medication.

When respondents experienced alterations to their plan's formulary, only 42.2% reported their insurance company informed them of the altered coverage to their prescribed medication. A similar amount of respondents (43.9%) were informed by their pharmacist, and some (13.9%) were informed by their physician.

As much as 66.5% of respondents said that it is extremely important. This is in contrast to only 8.3% of respondents who reported that it is not very important or not at all important.



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How do patients feel about non-medical switching?

Nearly all respondents (98.1%) support legislation that would prohibit insurance companies from financially pressuring them to switch their physician prescribed medication for non-medical reasons. When asked how important the out-of-pocket price of medication is in deciding to use medication, 91.7% reported that it is either important or extremely important.



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Conclusions and Recommended Policy Action

Our survey has shown that non-medical switching is a prevalent and growing practice in Texas. It can put patients who have complex, chronic, or rare diseases at severe risk. Multiple switches can either force patients onto less effective medications or eliminate treatment options for patients in a disease state that has a limited bank of therapies. Health insurance companies' utilization management techniques, such as reductions in drug coverage, result in treatment gaps and cessation of effective therapy, which often takes years to find. As a result of associated increases in side effects and adverse reactions that can lead to hospitalization, more doctors' appointments, emergency room visits, and so on, non-medical switching can and will increase overall utilization costs.

Although Texas has statutory protections against mid-year changes, there are no protections against year-to-year changes. To ensure that Texans stable on a medication can rely on consistent access to that medication if they re-enroll in the same plan, Texas needs legislation that builds upon existing protections and prioritize the value of treatment stability and protecting the health of Texas.

Legislation should establish protections for patients that have become stable on a medication covered under a previous plan year to ensure that a health insurance coverage for prescription drugs shall not:

- **Remove any covered prescription drug from its list of covered drugs during the health plan year unless the United States Food and Drug Administration (FDA) has issued a statement about the drug that calls into question the clinical safety of the drug, or the manufacturer of the drug has notified the FDA of any manufacturing discontinuance or potential discontinuance as required by s.506C of the Federal Food Drug and Cosmetic Act, 21 U.S.C. s 356c;**