



New Jersey's Oral Anticancer Treatment Access Law: What Clinicians Need to Know



Outdated coverage policies in New Jersey USED TO limit cancer patients' access to life-saving drugs!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 Jersey implemented legislation effective July 16, 2012 requiring health policies issued in New Jersey to cover orally administered anticancer medication at a cost to patients equal to those receiving intravenously administered or injected anticancer medications. Additionally, orally administered anticancer medications must not be subject to any prior approval, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications. Additionally, plans may not increase the out-of-pocket cost to patients to achieve compliance. **To view New Jersey'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:

Contact the Consumer Inquiry and Response Center (CIRC) at 609-292-7272 or the Consumer Hotline at 1-800-446-7467 or visit them at <http://www.state.nj.us/dobi/consumer.htm> For information about our oral parity work in Washington, DC, please go to: peac.myeloma.org.



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New Jersey Annotated Statutes

**TITLE 17. CORPORATIONS AND INSTITUTIONS FOR FINANCE AND INSURANCE
SUBTITLE 3. INSURANCE
PART 9. HOSPITAL, MEDICAL, DENTAL AND HEALTH SERVICE CORPORATIONS
CHAPTER 48. HOSPITAL SERVICE CORPORATIONS**

N.J. Stat. § 17:48-6jj (2012)

§ 17:48-6jj. Hospital service corporation to provide coverage for oral anticancer medications
[Effective July 15, 2012]

a. A hospital service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.), or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date [July 15, 2012] of this act, shall provide coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells on a basis no less favorable than the contract provides for intravenously administered or injected anticancer medications.

b. Pursuant to subsection a. of this section, coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells shall not be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications.

c. A hospital service corporation contract shall not achieve compliance with the provisions of this section by imposing an increase in patient cost sharing, including any copayment, deductible or coinsurance, for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract as of the effective date of this act.

d. This section shall apply to those hospital service corporation contracts in which the hospital service corporation has reserved the right to change the premium.

New Jersey Annotated Statutes

**TITLE 17. CORPORATIONS AND INSTITUTIONS FOR FINANCE AND INSURANCE
SUBTITLE 3. INSURANCE
PART 9. HOSPITAL, MEDICAL, DENTAL AND HEALTH SERVICE CORPORATIONS
CHAPTER 48A. MEDICAL SERVICE CORPORATIONS**

N.J. Stat. § 17:48A-7gg (2012)

§ 17:48A-7gg. Medical service corporation to provide coverage for oral anticancer medications



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[Effective July 15, 2012]

- a. A medical service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.), or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date [July 15, 2012] of this act, shall provide coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells on a basis no less favorable than the contract provides for intravenously administered or injected anticancer medications.
- b. Pursuant to subsection a. of this section, coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells shall not be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications.
- c. A medical service corporation contract shall not achieve compliance with the provisions of this section by imposing an increase in patient cost sharing, including any copayment, deductible or coinsurance, for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract as of the effective date of this act.
- d. This section shall apply to those medical service corporation contracts in which the medical service corporation has reserved the right to change the premium.

New Jersey Annotated Statutes

TITLE 17. CORPORATIONS AND INSTITUTIONS FOR FINANCE AND INSURANCE
SUBTITLE 3. INSURANCE
PART 9. HOSPITAL, MEDICAL, DENTAL AND HEALTH SERVICE CORPORATIONS
CHAPTER 48E. HEALTH SERVICE CORPORATIONS

N.J. Stat. § 17:48E-35.34 (2012)

§ 17:48E-35.34. Health service corporation to provide coverage for oral anticancer medications
[Effective July 15, 2012]

a. A health service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.), or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date [July 15, 2012] of this act, shall provide coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells on a

basis no less favorable than the contract provides for intravenously administered or injected anticancer medications.



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b. Pursuant to subsection a. of this section, coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells shall not be subject to any prior authorization, dollar limit, copayment, deductible or coinsurance provision that does not apply to intravenously administered or injected anticancer medications.

c. A health service corporation contract shall not achieve compliance with the provisions of this section by imposing an increase in patient cost sharing, including any copayment, deductible or coinsurance, for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract as of the effective date of this act.

d. This section shall apply to those health service corporation contracts in which the health service corporation has reserved the right to change the premium.

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TITLE 17. CORPORATIONS AND INSTITUTIONS FOR FINANCE AND INSURANCE
SUBTITLE 3. INSURANCE
PART 9. HOSPITAL, MEDICAL, DENTAL AND HEALTH SERVICE CORPORATIONS
CHAPTER 48. HOSPITAL SERVICE CORPORATIONS

N.J. Stat. § 17:48-1 (2012)

§ 17:48-1. Definitions

A hospital service corporation is hereby declared to be any corporation organized, without capital stock and not for profit, for the purpose of establishing, maintaining and operating a nonprofit hospital service plan. A hospital service plan is hereby defined as a plan whereunder service benefit contracts are issued providing complete prepayment or postpayment of eligible health care services and supplies for a given period to persons covered under such contracts, and arrangements are made for payment for such health care services and supplies directly to the provider thereof, including but not limited to, health care facilities and other suppliers of health care services; in addition, hospital service corporations may issue contracts providing for whole or partial payment for health care services and supplies furnished to persons covered under such contracts; provided, however, that not more than 20% of persons covered by other than service benefit contracts may be covered by contracts which include deductible options exceeding \$ 1,000.00 or such higher amount as the Commissioner of Insurance may permit by regulation, or co-insurance exceeding 30% of the total amount billed for covered health care services or supplies. Arrangements may be made for payment for such health care services and supplies directly to the provider thereof, including but not limited to,

health care facilities and other suppliers of health care services, or to the subscribers under such contracts. Such providers or suppliers may include but are not limited to:



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(a) A hospital service corporation; (b) a health care facility with which the corporation has a contract for such health care services or supplies to persons who become subscribers under contracts with the corporation; (c) a health care facility which is maintained by a State or any of its political subdivisions; (d) a health care facility licensed by the Department of Health; (e) such other health care facilities as shall have been designated by the Department of Health for health care services; (f) health care facilities located in other States, which are subject to the supervision of such other States provided that such last mentioned health care facilities, if they were to be located in this State, would be eligible to be licensed or designated by the Department of Health; or (g) nonprofit hospital service plans of other states approved by the Commissioner of Insurance.

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TITLE 17. CORPORATIONS AND INSTITUTIONS FOR FINANCE AND INSURANCE
SUBTITLE 3. INSURANCE
PART 9. HOSPITAL, MEDICAL, DENTAL AND HEALTH SERVICE CORPORATIONS
CHAPTER 48A. MEDICAL SERVICE CORPORATIONS

N.J. Stat. § 17:48A-1 (2012)

§ 17:48A-1. Definitions; liability for medical services

As used in this act the following words and phrases shall have the following meanings:

A medical service corporation is any corporation organized, without capital stock, and not for profit, for the purpose of establishing, maintaining and operating nonprofit medical service plans, or to provide or pay for medical services on the basis of premiums or other valuable consideration. A nonprofit medical service plan is any plan or arrangement operated by a medical service corporation, under the provisions of this act, and whereby the expense of medical services to subscribers and other covered dependents is paid in whole or in part by the corporation to participating physicians of such plans or arrangements and to others as provided herein. A subscriber is a person to whom a subscription certificate is issued by the corporation and which sets forth the kinds and extent of the medical services for which the corporation is liable to make payment and which constitutes the contract between the subscriber and the corporation. A covered dependent is the spouse, an adult dependent or a child of the subscriber who is named in the subscription certificate issued to the subscriber and with respect to whom appropriate premium is specified in the certificate. A participating physician is any physician licensed to practice medicine and surgery, or licensed to practice chiropractic in the State of New Jersey pursuant to chapter 9, Title 45, of the Revised Statutes, who agrees in writing with the corporation to perform the medical services specified in the contracts

issued by the corporation and at such rates of compensation as shall be determined by its board of trustees and who agrees to abide by the bylaws, rules and regulations of the corporation applicable to participating physicians. Medical service includes all general and special medical,



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dental and surgical services and chiropractic diagnostic X-ray services, ordinarily provided by such licensed physicians and by others as provided herein in accordance with accepted practices in the community at the time the service is rendered, and within the scope of their licenses. No subscriber or his covered dependents shall be liable for any payment to any participating physician for medical services specified in the subscriber's certificate to be paid to the participating physician by the corporation.

New Jersey Annotated Statutes

TITLE 17. CORPORATIONS AND INSTITUTIONS FOR FINANCE AND INSURANCE SUBTITLE 3. INSURANCE PART 9. HOSPITAL, MEDICAL, DENTAL AND HEALTH SERVICE CORPORATIONS CHAPTER 48E. HEALTH SERVICE CORPORATIONS

N.J. Stat. § 17:48E-1 (2012)

§ 17:48E-1. Definitions

As used in this act:

- a. "Commissioner" means the Commissioner of Banking and Insurance.
- b. "Board" and "board of directors" means the board of directors of the health service corporation.
- c. "Elective surgical procedure" means any nonemergency surgical procedure which may be scheduled at the convenience of the patient or the surgeon without jeopardizing the patient's life or causing serious impairment to the patient's bodily functions.
- d. "Eligible physician" means a physician licensed to practice medicine and surgery who holds the rank of Diplomate of an American Board (M.D.) or Certified Specialist (D.O.) in the surgical or medical specialty for which surgery is proposed.
- e. "Health service corporation" means a health service corporation established pursuant to the provisions of this act, which is organized, without capital stock and not for profit, for the purpose of (1) establishing, maintaining and operating a nonprofit health service plan and (2) supplying services in connection with (a) the providing of health care or (b) conducting the business of insurance as provided for in this act.
- f. "Health service plan" means a plan under which contracts are issued providing complete or partial

prepayment or postpayment of health care services and supplies eligible under the contracts for a given period to persons covered under the contracts where arrangements are made for



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payment for health care services and supplies directly to the provider thereof or to a covered person under those contracts.

g. "Hospital service corporation" means a hospital service corporation established pursuant to the provisions of P.L.1938, c.366 (C.17:48-1 et seq.).

h. "Medical service corporation" means a medical service corporation established pursuant to the provisions of P.L.1940, c.74 (C.17:48A-1 et seq.).

i. "Provider of health care services" shall include, but not be limited to: (1) a health service corporation, a hospital service corporation or medical service corporation; (2) a hospital or health care facility under contract with a health service corporation to provide health care services or supplies to persons who become subscribers under contracts with the health service corporation; (3) a hospital or health care facility which is maintained by a state or any of its political subdivisions; (4) a hospital or health care facility licensed by the Department of Health and Senior Services; (5) other hospitals or health care facilities, as designated by the Department of Health and Senior Services to provide health care services; (6) a registered nursing home providing convalescent care; (7) a nonprofit voluntary visiting nurse organization providing health care services other than in a hospital; (8) hospitals or other health care facilities located in other states, which are subject to the supervision of those states, which if located in this State would be eligible to be licensed or designated by the Department of Health and Senior Services; (9) nonprofit hospital, medical or health service plans of other states approved by the commissioner; (10) physicians licensed to practice medicine and surgery; (11) licensed chiropractors; (12) licensed dentists; (13) licensed optometrists; (14) licensed pharmacists; (15) licensed podiatrists; (16) registered bio-analytical laboratories; (17) licensed psychologists; (18) registered physical therapists; (19) certified nurse-midwives; (20) registered professional nurses; (21) licensed health maintenance organizations; (22) licensed audiologists; (23) licensed speech-language pathologists; and (24) providers of other similar health care services or supplies as are approved by the commissioner.

j. "Second surgical opinion" means an opinion of an eligible physician based on that physician's examination of a person for the purpose of evaluating the medical advisability of that person undergoing an elective surgical procedure, but prior to the performance of the surgical procedure.

k. "Subscriber" means a person to whom a subscription certificate is issued by a health service corporation, and the term shall also include "policyholder," "member," or "employer" under a group contract where the context requires.