



October 21, 2020

The Honorable Herb Conaway Jr.
Chairman, Health Committee
New Jersey General Assembly
State House
P.O. Box 098
Trenton, NJ 08625-0098

Re: Support for Assembly bill 4815 (A4815) - Establishes certain guidelines for health insurance carriers concerning step therapy protocols

Dear Chairman Conaway,

On behalf of the 1-in-10 individuals in New Jersey with one of the approximately 7,000 known rare diseases, the National Organization for Rare Disorders (NORD) thanks you for the opportunity to submit testimony in support of Assembly Bill 4815 (A4815), that would enact common-sense step therapy protocols.

NORD is a unique federation of voluntary health organizations dedicated to helping people with rare "orphan" diseases and assisting the organizations that serve them. We are committed to the identification, treatment, and cure of rare disorders through programs of education, advocacy, research, and patient services.

NORD believes strongly that all patients deserve the medical care that is best suited for their medical situation and will give them the best results. Based on the reports we receive from member organizations and individuals, step therapy is increasingly being applied by health plans in New Jersey with little regard for a patient's treatment history and specific medical needs.

Step therapy is a procedure by which insurers (public or private) require patients to take one or more alternative medications before being put on the medicine preferred by their provider. While this is done by insurers as an attempt to control health care costs, it can often be applied inappropriately, without consideration of the clinical practicalities. As a result, in many cases, these requirements can delay appropriate treatment and ultimately increase costs, not lower them. As the use of step therapy has increased, so has the need for states to ensure that these requirements do not needlessly interfere with appropriate care for patients. For instance, in some cases, patients switching insurance plans may be required to stop taking a successful treatment and start taking a medicine that they have already failed on simply because the step therapy protocol does not take into account whether a patient has failed a medicine while covered by another insurer.

First hand, we hear from New Jersey rare disease patients about the hardships they face. For most people in New Jersey who have a rare disease, there is no treatment, and life with a rare



disease is extremely difficult. When there are treatments, patients often have trouble accessing them in a timely manner because of step therapy arrangements. Providing the patient with the treatment that is prescribed by their doctor, in accordance with care guidelines, is common sense. Creating barriers to treatment through step therapy bureaucracy hurts patients and rarely leads to cost savings for the insurance company.

It is important to note that A4815 does not ban the use of step therapy. Instead, A4815 would implement some important new protections for patients when health plans implement step therapy policies. First, this legislation would require that step therapy protocols be based on widely-accepted medical and clinical practice guidelines. Second, it would exempt patients that have tried the required prescription drug under a previous health plan. Finally, it would require insurers to grant or deny exemption requests within a specified timeframe.

In order to guarantee patient safety, New Jersey needs to ensure that step therapy policies do not interfere with appropriate care for rare disease patients and families. By implementing the protections created in A4815, your Committee will be protecting patients while still enabling health plans to achieve the cost saving benefits of step therapy when appropriate.

Thank you for your consideration. For further questions, please do not hesitate to contact Heidi Ross at hross@rarediseases.org.

Sincerely,

Heidi Ross
Director of Policy
National Organization for Rare Disorders

Julie Raskin
Volunteer State Ambassador
New Jersey Rare Action Network

CC: Members of the Assembly Health Committee