

June 23, 2021

Senator Richard Pan  
Chair, Senate Committee on Health  
California State Capitol  
Sacramento, CA 95814

**RE: SUPPORT for AB 347 (Arambula) – UTILIZATION MANAGEMENT REFORM**

Dear Chair Pan,

We, a coalition of more than 70 diverse organizations representing patients, their families and caregivers, and health care providers from across California, support **AB 347** authored by Assemblymember Dr. Joaquin Arambula (D-Fresno). This bill proposes to add protections and transparency to current **Utilization Management (UM)** protocols to ensure patients have access to the medications they need – and that are uniquely prescribed for them by their physicians – in a timely manner. Importantly, this bill significantly updates and strengthens the initial UM reform legislation passed by the California legislature in 2015.

By using UM protocols, such as step therapy and prior authorization, insurers usurp the authority of physicians and dictate the care that patients receive. Specifically, they can require step therapy if there is more than one medicine that is appropriate for the treatment of a medical condition, forcing patients to “fail first” on one or even several alternative medications before they are finally allowed access to the medicine their physicians carefully selected and initially prescribed as the best choice for them.

For patients, the grim reality of “failing first” means treatment delays or interruptions that can cause irreversible deterioration of their condition and lead to additional, costly medical interventions that could have been prevented. A recent study conducted by Avalere Health involving patients with Crohn’s disease found that the delay in optimal treatment caused by step therapy forced patients to endure more visits to specialists, more labs and procedures, and more major surgeries including small bowel resection. As a result, the study found, total annual costs were \$50,398 more for a patient subjected to step therapy compared to one that was not.<sup>1</sup>

Additionally, the use of UM protocols is becoming increasingly common. In fact, an analysis by Avalere Health focused on 12 medications used to treat arthritis, plaque psoriasis, Crohn’s disease, and colitis found that between 2015 and 2016, employer plans increased the use of UM on these products from 18% to 56%.<sup>2</sup>

It is important to note that **AB 347** would **not** ban UM protocols, such as step therapy and prior authorization. Instead, it would incorporate proper guidelines and timeframes to the process to protect a doctor’s ability to make treatment decisions as medically necessary and a patient’s right to receive prescribed care without unnecessary and dangerous delays.

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<sup>1</sup> <https://avalere.com/insights/step-therapy-can-lead-to-higher-oop-costs-for-crohns-disease-patients> 2Avalere Health. PlanScape Review of Formulary Coverage of Selected Treatments, 2015-2017. March 2018

**AB 347** is about protecting the patients behind these statistics, Californians in your districts, with cancer, diabetes, mental illness, and other serious and chronic conditions. When a patient is forced to go through step therapy, it also impacts their ability to work, and places burdens on their families and caregivers. For some, including cancer patients fighting for their lives, the wait to get approval for the right medication is just too long. UM protocols can and do harm patients' health outcomes and their quality of life. For these reasons, and on behalf of patients across California, we strongly support **AB 347**.

Sincerely,



Steven Schultz  
Arthritis Foundation  
(co-sponsor)



Samy Metyas, MD  
California Rheumatology  
Alliance (co-sponsor)



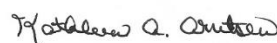
Kerry Donohue  
Crohn's & Colitis Foundation  
(co-sponsor)



Liz Helms  
California Chronic Care Coalition



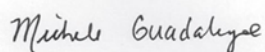
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