Whereas, The concentration within the health insurance market place is ongoing; and
Whereas, There is but one major health insurance plan offering insurance products within many markets throughout the country; and
Whereas, It has been shown that the outcomes for cardiovascular disease are directly related to the number of health insurance plans, but not the number of individual product choices with a single health insurance plan's offerings; and
Whereas, Prescription drugs are a major driver of health care costs in the United States; and
Whereas, In spite of the magnitude of purchasing power, Medicare does not negotiate for discounts or other cost savings for prescription drugs on behalf of their beneficiaries; and
Whereas, Medicare Part D policies relegate individual products to one of five tiers; and
Whereas, Tier 4 drugs are deemed "non-covered;" and the entire prescription cost rests with the beneficiary; and
Whereas, Tier 5 drugs are deemed to be "specialty drugs" and are charged a 33.3% copay cost to the beneficiary; and
Whereas, The copay may exceed $1500/ month for two injections of a Tier 5 drug to treat Crohn’s and other diseases; and
Whereas, The copay may exceed $4500/ month for daily injections of 0.15 ml of a Tier 5 drug to treat short bowel syndrome; and
Whereas, An appeal mechanism is required by Medicare to be in place for Part D insurance companies to consider the appeal for a change of tier designations; and
Whereas, The internal review panel states that the health insurance plan, “Does not consider the application for a request of change of Tier designation for a given Tier 5 drug;” and
Whereas, If the beneficiary requests an appeal of the health insurance plan’s internal review, the request is transmitted to the health insurance plan’s external “Review entity;” and
Whereas, The external review entity upholds the health insurance plan’s internal decision by restating that the health insurance plan, “Does not consider the application for a request of change of Tier designation for a given Tier 5 drug;” and

Whereas, Health insurance plans currently restrict dispensing of many Tier 5 drugs to a limited number of “specialty pharmacies;” and

Whereas, Many specialty pharmacies are owned by a major drug store chain; and

Whereas Health insurance plans restrict completion through this restrictive distribution process; and

Whereas, The number of drugs with Tier 4 and Tier 5 shift the burden of cost to the beneficiary; and

Whereas, The recent announcement that the drug store chain CVS made an offer to buy the Aetna Health Care Insurance Plan; and

Whereas, If such purchase would be allowed the access to drugs within the formulary of Aetna can be manipulated by the new parent, CVS; and

Whereas, The manipulations can result in expansion of the number of drugs relegated into Tier 4 and Tier 5; and

Whereas, There is no appeal mechanism now in place to address such a manipulation; and

Whereas, Any such expansion of the Tier 4 and Tier 5 drug lists will result in an increased cost to the beneficiary; therefore be it

RESOLVED, That our American Medical Association object to any purchase of a health insurance plan by any drug store or pharmacy chain and that our AMA work with other stakeholders, including the American Osteopathic Association and specialty colleges, to advocate for protection against such a purchase. (Directive to Take Action)

Fiscal Note: Not yet determined

Received: 11/01/17