March 7, 2017

PREMERA | BLUE CROSS BLUE SHIELD OF ALASKA

Sheela Tallman
Senior Alaska Legislative Affairs Executive

Representative Jason Grenn
State Capitol Room 418
Juneau, AK 99801

Re: HB 43

Representative Grenn,

On behalf of Premera Blue Cross Blue Shield of Alaska, I am writing to respectfully request amendments to HB 43, *an Act relating to prescribing, dispensing, and administering an investigational drug, biological product, or device by physicians for patients who are terminally ill*. We offer these amendments to improve clarity for the patient regarding both the associated cost impacts and insurance coverage that may not include an investigational drug, biological product, or device that has not been approved by the U.S. Food and Drug Administration. These suggestions are similar to provisions incorporated in legislation that has passed or is pending in other states.

Add a new section 5:

(a) A health care insurer may, but is not required to, provide coverage for the cost of or the administration of an unapproved investigational drug, biological product, or device provided to a patient, and the patient may be required to pay the costs of administering the unapproved investigational drug, biological product, or device.

(b) The patient's health care insurance plan is not required to pay, and may deny coverage, for an unapproved investigational drug, biological product, or device or the costs demonstrated to be associated with any harm or adverse effects caused to the patient that is a result of receiving the unapproved investigational drug, biological product, or device.

(c) A health care insurer may not deny coverage to a patient for: (1) The patient's preexisting serious or immediately life-threatening disease or condition; (2) benefits that accrued before the day on which the patient was treated with an unapproved investigational drug, biological product, or device; or (3) palliative or hospice care for a patient who was previously treated with an unapproved investigational drug, biological product, or device but who is no longer being treated with an unapproved investigational drug, biological product, or device.

Section 1 (c) (2) defines terminal illness as a disease that will result in death in the near future. We recommend aligning the definition of terminal illness with Medicare, which considers an individual terminally ill if the medical prognosis is that the individual's life expectancy is six months or less.

> "Terminal illness" means a <u>stage of</u> disease <u>in which there is a reasonable likelihood that death will occur within six months or in which premature death is likely without early treatment</u> [THAT, WITHOUT LIFE-SUSTAINING PROCEDURES, WILL RESULT IN DEATH IN THE NEAR FUTURE OR A STATE OF PERMANENT UNCONSCIOUSNESS FROM WHICH RECOVERY IS UNLIKELY].

Thank you for considering these suggestions to improve clarity. Please don't hesitate to get in touch with me if you have any questions.

Sincerely,

Sheela Tallman

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