



In Support of Health Benefits Transparency for Consumers

Position: The Pharmaceutical Research and Manufacturers of America (PhRMA) supports consumers having access to specific information about health benefits to inform their decision making when purchasing health care coverage through an insurance exchange. Patients who are required to purchase health insurance should be able to access information about 1) covered services, 2) which health care providers are in network, 3) whether a patient's drugs are on formulary, and 4) understand the process for benefits exceptions and appeals prior to purchasing a plan.

PhRMA represents the country's leading innovative biopharmaceutical research and biotechnology companies, which are devoted to discovering and developing medicines that enable patients to live longer, healthier, and more productive lives. Since 2000, PhRMA member companies have invested more than \$600 billion in the search for new treatments and cures, including an estimated \$51.2 billion in 2014 alone.

PhRMA believes patients should have as much information as possible when selecting a health care plan, including cost-sharing responsibilities before enrolling. Currently, Colorado residents are choosing health plans based on premiums and a summary description of benefits, without complete and accurate information about their own cost-sharing responsibilities. Consumer cost-sharing obligations including deductibles, copayments, coinsurance, and excluded out-of-pocket expenses may be significantly greater than the total premium paid for a health benefit plan. Consumers may not be budgeting for significant costs outside of the premium before they can access coverage. Further, patients with ongoing medical conditions are unable to determine if the medication, physicians, and health care they rely on will be covered by the plan in which they are enrolling.

PhRMA supports ensuring that enrollees are given all relevant information about all the costs and benefits a health care plan offers by providing detailed information about cost sharing for specific items and services. PhRMA supports requiring insurers to provide clear, accurate information on out-of-pocket costs, copayments and coinsurance, any exclusions or restrictions from coverage, and drug formulary and prior authorization process information. These protections will allow consumers to consider all costs and restrictions so they can select a plan that best meets their needs.

Selecting the correct plan by a patient is vital on many levels. Without the correct plan, many consumers face being underinsured; may have higher out-of-pocket costs than they can afford, leading to avoiding care they need and jeopardizing their health; and creating financial hardships for families and increasing unpaid debt for healthcare providers. Example, lower premiums may result in fewer services being covered and thus more unexpected out-of-pocket expenses. Higher premiums may cover more services and result in fewer unexpected out-of-pocket expenses. Enabling the consumer to access information in a clear, transparent, simple, and accurate manner will allow for better understanding of coverage and cost sharing responsibilities prior to purchasing insurance.

In summary, to ensure patients have optimum coverage and cost-sharing information with which to make an informed decision regarding health plan purchases, PhRMA respectfully urges CCAHC to support health benefits transparency for consumers.