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# *The Financing of Genetic Technologies in the US Health Care System*

*Secretary's Advisory Committee on  
Genetics, Health & Society*

*Washington, DC*

*John W. Rowe, M.D.  
June 11, 2003*

***TODAY'S FOCUS:***  
***GENETIC TESTING***



# ***Screening Test Requirements***

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 ***Sensitive***

 ***Specific***

 ***Cost-Effective***

 ***Safe***

# ***Cost Effectiveness***

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***The cost effectiveness of genetic testing is determined by the degree of risk in the population tested.***

# Breast Cancer

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Cost Per Gene Mutation Test	
	Costs
General Population	\$170,332
Women < 40 Already Diagnosed	\$ 1,705
Women with Strong History	\$ 489

Source: Eccles, Englefield et. al., British Journal of Cancer 1998

Table: Courtesy Lehman Brothers – Managed Care Weekly – June 2002

# Colorectal Cancer

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Cost Per Case	
Testing Interval	Costs
No Surveillance	\$31,760
One Year	\$23,153
% Saved	27.1%

Source: Vasen, Ballegooijen et. al., Cancer 1998

Table: Courtesy Lehman Brothers – Managed Care Weekly – June 2002

*“ ... it becomes clear that as health plans become more pro-active with respect to disease prevention, genetic testing will begin to assume a more central role from both a clinical and cost containment perspective.”*

*-- Joshua R. Raskin, CFA  
Lehman Brothers  
June 21, 2002*

# Screening Test Requirements

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 **Sensitive**

 **Specific**

 **Cost-Effective**

 **Safe**



# *The Fear Factor*

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-  Harris Poll Results
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  -  Myth v. Reality in Genetics & Health Insurance
-

# Harris Interactive Poll

Date: May 2002

Size: 1,103

Scale: Nationwide

Profile: Adults, 18 and Over

# *Harris Poll Findings*

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- ✍ More than four out of five believe that genetic testing is a good thing.
- ✍ The more familiar people are with genetic testing, the more likely they are to say they would have it.
- ✍ Half say they would be interested in having a test for a very serious disease even if there was no known treatment or a way to prevent it.

# A View from the States

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- ✍ All but two states – Idaho and North Dakota- have passed some form of Genetic Nondiscrimination Testing.
  
  - ✍ The Laws impact individual and/or group polices and specify broadly that health plans may not do one or more of the following:
    1. Establish Rules for Eligibility Based On Genetic Information
    2. Require Genetic Tests
    3. Use Genetic Information for Risk Selection or Risk Classification Purposes
    4. Disclose Information without Informed Consent
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# *A View from Washington*

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- ✍ H.R. 1910 (Slaughter) applies to individual and group health insurance policies.

## Prohibits:

1. Rules for Eligibility Based On Genetic Information
2. Requiring Genetic Tests
3. Use of Genetic Information for Risk Selection or Risk Classification Purposes
4. Disclosure of Information without Informed Consent (beyond HIPAA)

## Allows:

5. Private Right of Action
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# ***A View from Washington***

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-  S. 1053 (Snowe/Jeffords/Gregg) applies to individual and group health insurance policies.

## Prohibits:

1. Rules for Eligibility Based on Genetic Information
2. Requiring Genetic Tests
3. Use of Genetic Information for Risk Selection or Risk Classification Purposes

## Allows:

4. Use of Information for Treatment, Payment, or Healthcare Operations such as Disease Prevention or Disease Management (as per HIPAA)
  5. Equitable Relief Provided by ERISA Expanded to Include Retroactive Restoration of Benefits
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# ***Myth v. Reality in Genetics & Health Insurance***

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 The Record v. Perception

 No Incentive to Discriminate

## Myth

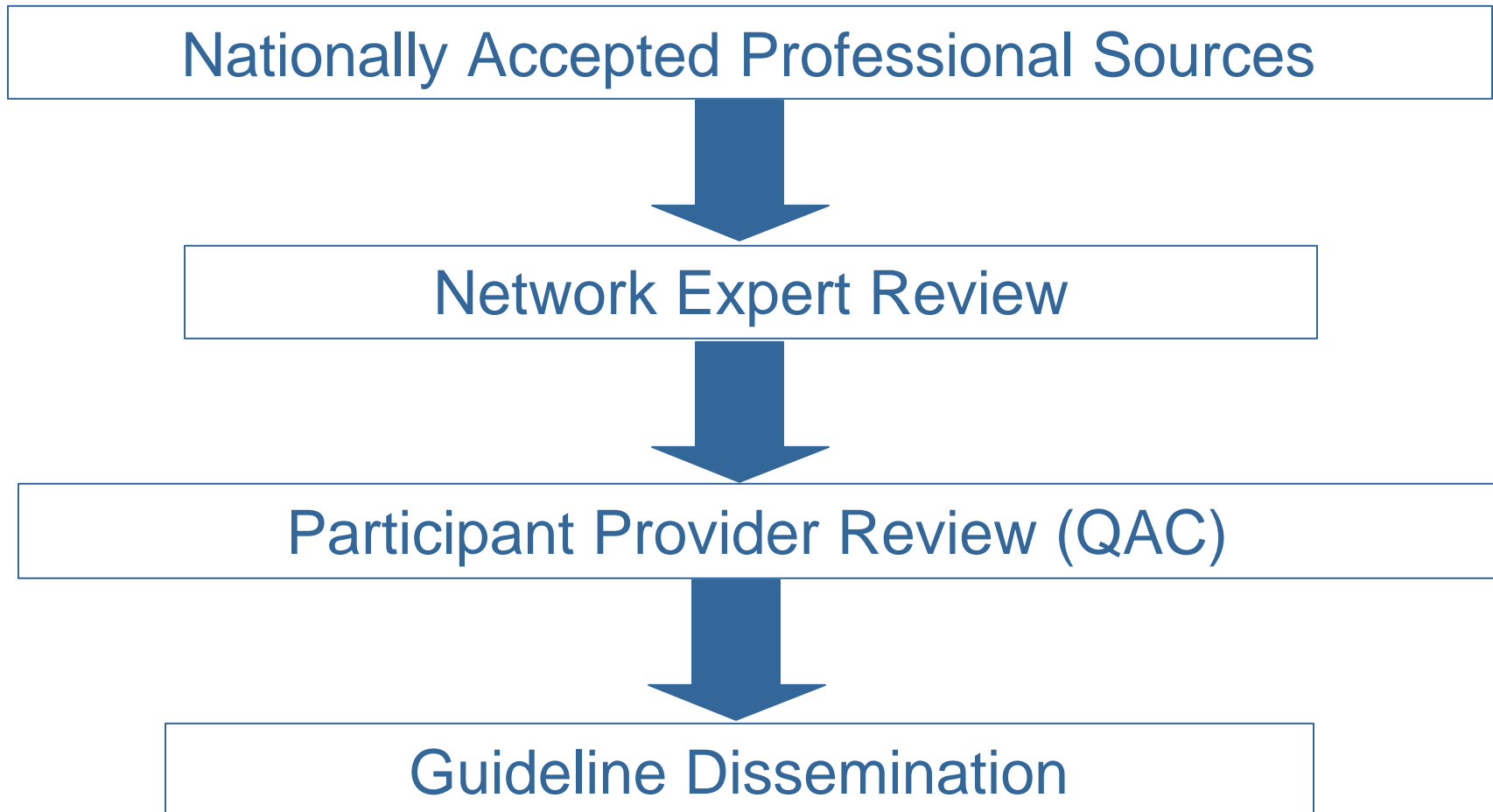
-  Health Insurance Coverage Decisions Are Arbitrary

## Reality

-  Aetna has a comprehensive process for coverage policy decisions.
-  Policy is based upon current peer-reviewed literature.
-  Policy is based upon recommendations, standards, and guidelines of the relevant Professional Colleges and Societies.






# ***Implementing Coverage Policy Guidelines at Aetna***



Source: Allan Bombard, M.D.




# Aetna's Coverage Policy Principles

-  Individual at risk
-  Information that affects course of treatment
-  Care, services, treatments for members

# Aetna's Guiding Principles

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*Health plans should make available products to their self-insured plan sponsors and their fully insured customers that ...*

-  Cover genetic testing in individuals shown to be at risk where results may affect the course of treatment of the insured.
  -  Cover genetic testing for a family member where the family member is not otherwise insured and results may affect the course of treatment of an at risk insured.
  -  Cover consultation with qualified counselors and physicians and facilitate the appropriate interpretation of genetic testing results.
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# ***Aetna's Guiding Principles*** *(Continued)*





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- ✍ Support physician education in the appropriate interpretation and use of genetic tests, including guidance in selection of medication (pharmacogenetics).
- ✍ Work with physicians to promote confidentiality and to use genetic information for the maximum benefit of the member.

# ***Aetna Guiding Principles*** *(Continued)*

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## *And Health Plans Should Not ...*

-  Establish rules for health coverage eligibility based on genetic testing.
  -  Request, require or collect genetic testing results as a condition to providing health insurance coverage.
  -  Use genetic testing for risk selection or risk classification purposes in providing health coverage.
  -  Disclose genetic testing results that may come into their possession without member authorization.
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*I not only think that we will tamper with  
Mother Nature. I think Mother Nature  
wants us to.*

*-- Willard Gaylin, M.D.*



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