

December 5, 2017

Broker Update

Here's the latest news from Medical Mutual.

If you have questions about the articles in this Broker Update, please contact your Royal Advantage® broker or Medical Mutual representative.

This Broker Update will be posted in the **News** section of *MyBrokerLink*.



Additional CAR-T and Gene Therapies Approved and Expected; Medical Policies Available

(Applies to: All except Medicare Supplement)

Background

Earlier this year, the U.S. Food and Drug Administration approved the first chimeric antigen receptor T-cell (CAR-T) therapy, Kymriah, to treat cancer. The following provides known details about an additional approved CAR-T therapy (Yescarta) and the first gene therapy expected to receive FDA approval in 2018 (Luxturna), as well as an update to the September 27, 2017, Broker Update about Kymriah.

Yescarta Approved

On October 18, 2017, the FDA approved Yescarta (axicabtagene ciloleucel), the second CAR-T therapy, for use in treating several forms of non-Hodgkin lymphoma in adults. Patients must meet specific clinical criteria before Medical Mutual will cover this therapy. Kite Pharma and Gilead, manufacturers of Yescarta, estimate that 10 out of 100,000 insured lives may qualify for use of Yescarta based on the criteria.

Luxturna Approval Expected

Luxturna (voretigene neparvovec) is the first gene therapy that is expected to be approved by the FDA in January 2018. It will be used for the treatment of vision loss and blindness due to a very rare inherited retinal disease. Spark Therapeutics, Luxturna's manufacturer, estimates only five per one million patients may qualify for treatment of Luxturna.

Please refer to the attached additional details about these therapies, including clinical criteria, administration and cost information.

Medical Policy Update

Medical criteria and prior authorization will be required before Medical Mutual health plans cover these high-cost CAR-T and gene therapies. The medical necessity criteria for Kymriah and Yescarta are available on our provider portal. A policy for Luxturna is currently in development and will be available when the drug is approved in January.

Please watch for a future Broker Update once additional information is available.



Ohio Standard Commission Schedule Mailing

(Applies to: All)

An Ohio Standard Commission Schedule for Health and Life Accounts (Schedule A) which is effective January 1, 2018, was mailed last week to independent brokers and agency principals. The new Schedule A includes the following updates:

- Medicare Advantage commission rates for plans with effective dates of January 1, 2018, through December 31, 2018 are:
 - o New Sale Commission will be \$455 per enrollee
 - Renewal Commission will be \$228 per enrollee
- The commission rate for Individual Under Age 65 new sales for accounts with effective dates beginning January 1, 2018 is \$17 per member per month.
 - o The renewal commission rate remains at \$14 per member per month.
- Commission rates for Medicare Supplement accounts with an effective date of January 1, 2018 and thereafter will be determined by the number of new contracts in their first year. The Medicare Supplement New Sales Volume Override and Renewal Volume Override are not applicable to accounts with an effective date of January 1, 2018 or thereafter.

Medical Mutual Issuing Amendments for Autism Spectrum Disorder Treatment (Applies to: All except MEWAs, Self-Insured, Medicare Advantage and Medicare Supplement)

We are updating our certificate with an amendment for Autism Spectrum Disorder Treatment and notifying affected groups and members.

Individual Plans

This same mandate will apply to individual grandfathered and short-term plans. We are awaiting approval of the amendment filling from the Ohio Department of Insurance (ODI). Further information will follow upon approval.

Small Group Grandfathered Plans

Medical Mutual will issue the amendment to update all certificate/benefit books effective January 1, 2018, and mail them to affected members.

Group and Member Notification

We will send a group official letter with a copy of the amendment. A member letter with an enclosed amendment will follow. All members who elect paperless will receive an email with a link to the amendments.

51+ Fully Insured Plans

The Certificate Development department will work from quarterly reports of groups renewing by month and add the autism spectrum disorder treatment language throughout the year. As the update is made, certificate books will be reissued. The appropriate language will also appear in certificate books issued for new groups and as groups make benefit changes.

As a reminder, this new law is not applicable to all market segments.

Medical Mutual 2060 East Ninth Cleveland, OH 44115

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