



June 12, 2025

The Honorable Scott Wiener
Chair, Senate Budget Committee
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Room 8230
Sacramento, CA 95814

The Honorable Akilah Weber Pierson
Chair, Budget Subcommittee No. 3
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Dawn Addis
Chair, Budget Subcommittee No. 1
1021 O Street, Room 4120
Sacramento, CA 95814

RE: May Revision Proposals to Implement Prior Authorization and Step Therapy for Medi-Cal Rx – OPPOSE

Dear Honorable Budget Chairs and Subcommittee Chairs:

Susan G. Komen, the nation's leading breast cancer non-profit organization, writes in strong opposition to Governor Newsom's proposal to implement prior authorization and step therapy for Medi-Cal Rx. These utilization management methods - commonly used by private health insurers – would introduce delays and barriers to timely, appropriate care. For cancer patients, these delays can lead to adverse health outcomes and, in some cases, put lives at risk.

Under the proposed changes, cancer patients enrolled in Medi-Cal would be required to receive state approval before starting a prescribed course of treatment. This process, known as prior authorization, creates delays in care and administrative burdens for oncologists. If authorization is denied, the patient's care team must hurry to appeal the decision, while the patient risks their cancer progressing in the meantime.

Another element of utilization management in this proposal – step therapy – would force patients to try and “fail” an older or preferred treatment before being granted access to the medication originally prescribed by their doctor. Unfortunately, step therapy policies are particularly burdensome in oncology, given the individualized nature of modern cancer treatments. Metastatic cancer treatments are highly personalized and must be based on decisions made between the patient and their healthcare providers, as they are most capable of determining the appropriate treatment for patients.

Sadly, we have seen the impact of step therapy on metastatic patients with private health insurance. These protocols rely on generalized information as opposed to considering unique patient characteristics or responses to different treatments. A recent



study examining commercial insurers' use of step therapy for specialty drugs found that only about one third of protocols aligned with clinical guidelines.¹

These policies are designed to reduce costs, not improve care, and too often result in poor health outcomes and increased long-term medical expenses when patients' conditions worsen unnecessarily. In fact, recent analysis found that implementing step therapy protocols could increase the total payer costs by 37%.

Bringing these same barriers into the Medi-Cal system would strip oncologists and health care providers of the autonomy necessary to deliver timely, patient-centered care. For patients battling rapidly progressing cancers, every delay is critical. Research published by the American Society of Clinical Oncology found that two-thirds of physicians reported that prior authorization and step therapy led to patients receiving ineffective initial treatments².

The Governor's utilization management proposals for Medi-Cal set a dangerous precedent for other health systems that look to California as a blueprint. We understand the difficulties associated with balancing a state budget, but we respectfully OPPOSE the prior authorization and step therapy provisions in the May Revision. If you have any questions or require additional information, please contact me directly at csweeney@komen.org or 916-990-1861.

Sincerely,

A handwritten signature in black ink that reads "Conor Sweeney".

Conor Sweeney
Regional Manager, State Policy & Advocacy

Cc: Scott Ogus, Deputy Staff Director, Senate Budget & Fiscal Review Committee
Anthony Archie, Principal Consultant, Republican Fiscal Consultants
Patrick Le, Consultant, Assembly Budget Subcommittee No. 1
Eric Dietz, Principal Consultant, Assembly Republican Caucus
Honorable Members, California State Senate
Honorable Members, California State Assembly

¹ Lenahan KL, Nichols DE, Gertler RM, Chambers JD. Variation in use and content of prescription drug step therapy protocols, within and across health plans. *Health Aff (Millwood)* 2021; 40: 1749–57

² <https://avalere.com/insights/step-therapy-can-lead-to-higher-oop-costs-for-crohns-disease-patients>

