



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF INSURANCE
34 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0034

Eric A. Cioppa
Superintendent

**TESTIMONY OF ERIC A. CIOPPA
SUPERINTENDENT OF INSURANCE
BUREAU OF INSURANCE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**

Neither for nor Against L.D. 1783

**“An Act To Require Health Insurance Carriers
and Pharmacy Benefits Managers To Appropriately Account
for Cost-sharing Amounts Paid on Behalf of Insureds”**

Presented by Senator Heather Sanborn

**Before the Joint Standing Committee on Health Coverage, Insurance &
Financial Services**

January 11, 2021 at 10:00 a.m.

Senator Sanborn, Representative Tepler, and members of the Committee, I am Superintendent of Insurance Eric Cioppa. I am here today to testify neither for nor against L.D. 1783.

This bill would add a copay accumulator provision to the Health Plan Improvement Act. If a third party provides any payment, waiver, or discount to an enrollee to assist with the cost of a covered drug, the bill would require the carrier to credit the amount toward the enrollee's deductible, copayment, or other cost-



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sharing requirement. It would not apply to instances where the drug has a generic alternative unless the person has been allowed the brand name through step therapy exception or other process.

I believe this bill is in response to several past complaints where specialty organizations or manufacturers have provided coupons or other discounts for expensive brand-name drugs. Insurance companies have refused to apply this amount towards the member's deductible because no money actually changed hands.

To my knowledge, 12 other jurisdictions have enacted copay accumulator laws. The NAIC has not yet taken a position on this issue, but a proposal to consider it is scheduled for discussion in early 2022.

Thank you, I would be glad to answer any questions now or at the work session.