COALITION OF MAINE IN SUPPORT OF LD 1783

AN ACT TO REQUIRE HEALTH INSURANCE CARRIERS AND PHARMACY BENEFITS MANAGERS TO APPROPRIATELY ACCOUNT FOR COST-SHARING AMOUNTS PAID ON BEHALF OF INSUREDS

ORGANIZATIONS IN SUPPORT

AMERICAN CANCER SOCIETY CANCER ACTION NETWORK | ARTHRITIS FOUNDATION |COALITION OF STATE RHEUMATOLOGY ORGANIZATIONS | EPILEPSY FOUNDATION NEW ENGLAND | GAUCHER COMMUNITY ALLIANCE |HEALTH EQUITY ALLIANCE| HIV+HEPATITIS POLICY INSTITUTE | HEMOPHILIA FEDERATION OF AMERICA| NATIONAL MULTIPLE SCLEROSIS SOCIETY | NORTHERN NEW ENGLAND ONCOLOGY SOCIETY| SUSAN G. KOMEN®|

January 25, 2022

Committee on Health Coverage, Insurance and Financial Services

100 State House Station

Augusta, ME 04333

Re: Letter of Support for LD 1783

Dear Members of the Health Care and Insurance and Financial Services Committee:

We, the undersigned organizations, write to you in support of LD1783, as this legislation is critical in reducing cost barriers to care for patients in Maine.

Recently, many health insurers and Pharmacy Benefit Managers (PBMs) have instituted "copay accumulator programs", which prevent copay assistance from counting toward a patient's health insurance deductible and out-of-pocket maximum. This legislation will correct that and require health insurers and Pharmacy Benefit Managers (PBMs) to count all payments made by patients directly or on their behalf. This would protect patients from unexpected bills when they pick up their medicines and ensure they can utilize the help that pharmaceutical manufacturers and other third parties provide to afford their care.

Studies show that patients are far more likely to abandon their treatment when out-of-pocket costs exceed $100. Data also shows that patients who stop using their medications due to high costs end up having more emergency room visits and negative health outcomes, which increases overall health care costs.

Furthermore, according to a recent study of claims data, a vast majority of copay assistance is used for treatments that do not have a generic alternative leaving patients without a more affordable option. A study of claims data by IQVIA found that **99.6% of copay cards are used for branded drugs that do not have a generic alternative. Please see study, attached.**

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The COVID-19 pandemic has only exacerbated the financial strain that high-cost treatments put on patients and their families. To maintain their health and quality of life, patients turn to copay assistance from manufacturers and non-profits to afford their medications.

As committed partners in the fight for health equity, we know how deeply important it is for Mainers to receive necessary treatments. To date, twelve other states have passed similar legislation to ensure all copays count toward the deductible and out-of-pocket maximum including; Arkansas, Arizona, Connecticut, Georgia, Illinois, Kentucky, Louisiana, North Carolina, Oklahoma, Tennessee, Virginia and West Virginia and legislation has been introduced in nine other states.

We urge Maine to be the next state to protect patients and ensure they are not unfairly punished for using copay assistance to help with high out-of-pocket costs.

Sincerely,

American Cancer Society Cancer Action Network

Arthritis Foundation

Coalition of State Rheumatology Organizations

Epilepsy Foundation New England

Gaucher Community Alliance

Health Equity Alliance

Hemophilia Federation of America

HIV+Hepatitis Policy Institute

National Multiple Sclerosis Society

Northern New England Oncology Society

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Myth: "Copay assistance is just a discount – not real money – which is why it should not count toward a patient's deductible or out-of-pocket maximum."

Copay assistance is real money that is paid by a charitable organization or manufacturer to help a patient reduce their out-of-pocket costs. By excluding copay assistance from counting toward a patient's cost sharing requirements, insurers are shirking their fiduciary responsibility.

Myth: "Patients can choose a cheaper treatment option."

Insurers have utilization management tools – prior authorization and step therapy – to guide patients toward lower cost alternatives. Only after an insurance company approves coverage for a treatment can the patient use copay assistance to help cover their out-of-pocket costs. A vast majority of copay assistance is used for treatments that do not have a generic alternative.

Myth: "Copay assistance increases use of brand name drugs over their generic alternatives."

A study of claims data by IQVIA found that **99.6%** of copay cards are used for branded drugs that do not have a generic alternative.

FACTS

- Copay accumulators force high-risk patients off medications. These copay accumulator programs lead to higher costs for patients, forcing them to choose between treatments and other expenses such as rent, higher education, and family expenses.
- Working class families who do not qualify for other forms of public assistance to cover medical costs rely on cost sharing assistance to help cover the cost of their prescription drugs and they are necessary to financially support these families.
- Denying co-pay assistance will cause otherwise stable Maine patients to discontinue their treatment, leading to serious, even life-threatening, complications. Data also shows that patients who stop using their medications due to high costs end up having more emergency room visits and negative health outcomes.