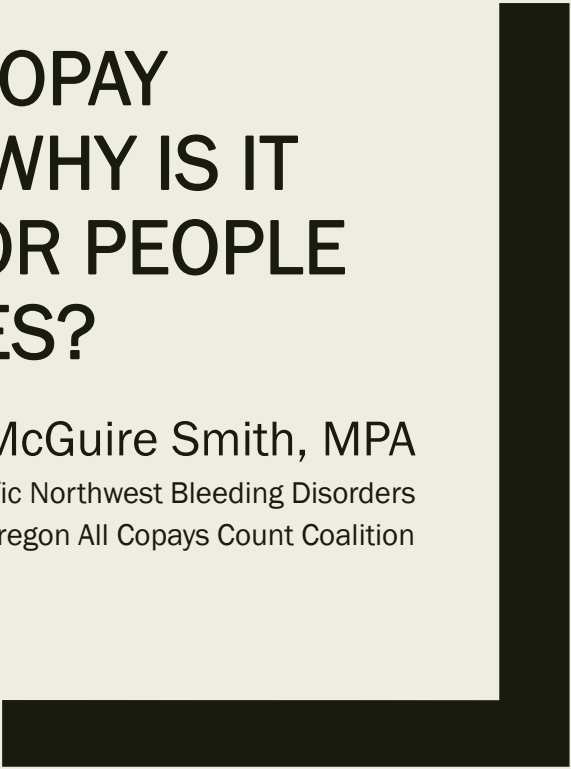


# HOW DO COUPONS AND COPAY ACCUMULATORS WORK, AND WHY IS IT ESSENTIAL TO UNDERSTAND FOR PEOPLE WITH CHRONIC DISEASES?

Madonna McGuire Smith, MPA  
Executive Director, Pacific Northwest Bleeding Disorders  
Coordinator, Oregon All Copays Count Coalition



# Cost of Healthcare

Everyone knows that health care in the US is expensive. National Health Expenditure (NHE) grew 4.1% to \$4.5 trillion in 2022, or \$13,493 per person, and accounted for 17.3% of Gross Domestic Product (GDP). Over 2022-2031 average growth in NHE (5.4 percent) is projected to outpace that of average GDP growth (4.6 percent) resulting in an increase in the health spending share of GDP from 18.3 percent in 2021 to 19.6 percent in 2031.

# THE FACTS

THIS IS WHAT KEEPS  
PAYERS UP AT NIGHT



- ❑ High cost claimants are defined as costing more than \$50,000 annually
- ❑ Average annual individual cost of \$122,382
- ❑ 29.3 times higher than the average person
- ❑ Represent 1.2% of population, but account for 35% of the spending.

Payers are  
always looking  
for ways to  
lower their  
healthcare  
spend



# Manufacturer Copay Assistance

- Most specialty drugs have copay assistance available through the manufacturer – ALL bleeding disorder medications have copay assistance because of their extremely high costs.
- Historically, copay assistance support has been applied towards patient out of pocket costs
  - With ACA the annual OOP limit for 2024 is \$9,450 for an individual and \$18,900 for a family
  - Copay Assistance for bleeding disorder specialty drugs ranges from \$12,000-\$18,000 per patient

# From the payers perspective

- While copay cards have positive benefits for patients (improves access, affordability, and compliance), some plan sponsors believe they increase costs via the following:
  - *Assisting beneficiaries to reach their out of pocket max more quickly therefore the payers pay more of the plan costs throughout the year*
  - *Potentially incentivizing patients to utilize non-preferred drugs and unnecessary tests and procedures*
- In response to these issues and as a way to drive greater savings for plan sponsors, two new specialty programs were introduced in 2017 by PBM's

# 2017 PBM Driven Trends

COPAY ACCUMULATOR  
ADJUSTMENT PROGRAM - CAAP

COPAY MAXIMIZATION  
ALLOWANCE PROGRAM - CMAP

- PRIMARILY ROLLED OUT BY SELF FUNDED HEALTH PLANS
- OFFERED FREE OF CHARGE BY PBM TO INSURERS/EMPLOYERS
  - *WITH AN EXCLUSIVE SPECIALTY PHARMACY CONTRACT*
- CAAP - ALL DRUGS
  - *REQUIRES NO PLAN CHANGES*
  - *VERY HIGH LEVEL OF INTEREST BY INSURERS/EMPLOYERS*
- CMAP - SELECT DRUGS
  - *REQUIRES PLAN CHANGES*
  - *HARDER TO MANAGE*
  - *LOWER LEVEL OF INTEREST INITIALLY BUT INCREASING INTEREST OVER THE YEARS AS LAWS AND REGULATIONS HAVE BEEN IMPLEMENTED*

## Facts about Copay Accumulators

- Nationwide, almost two-thirds (64%) of all individual health plans available on the marketplace include CAAPs. But there is wide variation from state to state.

The AIDS Institute, Discriminatory Copay Policies Undermine Coverage for People with Chronic Illness, Copay Accumulator Adjustment Policies in 2023

- Coupons are NOT copay assistance – coupons reduce the cost of a drug, usually over the counter drugs. Copay assistance is financial assistance to help a patient pay for expensive specialty drugs. Many people use coupons and copay assistance interchangeably and it does not help the cause.
- When trying to understand what a copay accumulator program is, it's important to know the **deductible** – the amount you must pay before your benefit plan kicks in – and the **out-of-pocket maximum** – the most you will pay in a plan year for covered services before your plan takes over at 100%.
- Insurers will take the copay assistance card as payment but reset the out of pocket max back to zero paid by the patient. This will occur month after month until all funds have been drained from the copay assistance program. The next time the patient attempts to purchase their meds, they will be required to pay the deductible until their out of pocket max is met for the year.



## Facts about Copay Maximizers

- Instead of a copay accumulator, some plans include policies referred to as “copay maximizer programs”, or “variable copay programs”.
- Copay maximizer programs differ from copay accumulator adjustment policies in that they require patients to enroll in available manufacturer copay assistance programs and set patient copay amounts for those medications at the maximum amount of copay assistance that is available for a given drug rather than as a flat dollar amount or share of the list price of the drug.
- In a copay maximizer program, the copay assistance is similarly not counted toward the patient’s annual deductible or out-of-pocket limit. While that may not impact their ability to refill that particular medication in the same way that copay a accumulator policy does, it also means that patients remain subject to the deductible and cost-sharing for any other medications or health care services that they may need during the year.
- Basically, a maximizer spreads the assistance throughout the entire year – if the copay assistance program has \$18,000 available, the patient copay for the medication is  $\$18,000/12 \text{ months} = \$1,500$  a month.
- Many states have seen insurers try to insert the language in proposed legislation banning copay assistance but allowing copay maximizers – “if any money is paid from a third party copay assistance program, insurers are allowed to take all funds in the copay assistance program”

## Example 1 – Copay Accumulator

Patient has a \$1,000 deductible

Patient has \$500 in copay assistance

### No Copay Accumulator Program

The \$500 copay assistance will count toward the patient's deductible.

$\$1,000 - \$500 = \$500$ . The patient only has to pay the \$500 remaining to reach their deductible

### Copay Accumulator Program

The \$500 copay assistance will not count toward the patient's deductible.

$\$1,000 - \$0 = \$1,000$ . The patient has to pay the full \$1,000 to reach their deductible.

## Example 2

- Plan deductible: \$4,600 • Monthly medication cost: \$1,680
- Annual out-of-pocket maximum: \$8,550 • Copay assistance total: \$7,200
- Cost-sharing for specialty tier prescription: 50% *after deductible is met*

### Scenario 1: Plan *Without* Copay Accumulator Program

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Insurer collects
Copay Assistance	\$1,680	\$1,680	\$1,240	\$840	\$840	\$840	\$80	\$0	\$0	\$0	\$0	\$0	\$7,200	
Remaining Deductible	\$2,920	\$1,240	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$8,550
Patient Pays	\$0	\$0	\$0	\$0	\$0	\$0	\$760	\$590	\$0	\$0	\$0	\$0	\$1,350	

### Scenario 2: Plan *With* Copay Accumulator Program

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Insurer collects
Copay Assistance	\$1,680	\$1,680	\$1,680	\$1,680	\$480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,200	
Remaining Deductible	\$4,600	\$4,600	\$4,600	\$4,600	\$3,400	\$1,720	\$40	\$0	\$0	\$0	\$0	\$0		\$15,160
Patient Pays	\$0	\$0	\$0	\$0	\$1,200	\$1,680	\$1,680	\$40	\$840	\$840	\$840	\$840	\$7,960	

■ Deductible is met   
 ■ Copay assistance limit is met   
 ■ Out-of-Pocket maximum is met

The AIDS Institute, Discriminatory Copay Policies Undermine Coverage for People with Chronic Illness  
 COPAY ACCUMULATOR ADJUSTMENT POLICIES IN 2023

## State of the situation in OR, WA and at the national level:

### In OR:

- We hope the third time is a charm! Legislation being introduced during the short 2024 legislative session, sponsored by Rep Emerson Levy, Sen Gelser Blouin and Sen Knopp.
- Legislation starting off in the House Behavioral Health and Health Care Committee. Expect a hearing on the bill the first week of the session – week of Feb. 5.
- Insurers have pushed to have language inserted that would allow maximizers but Rep Levy has agreed to do an amendment immediately to remove that language. We continue to meet with her regularly to be sure she understands the patient perspective
- This is a patient issue and NOT intended to be a fight between pharma and insurers. The cleaner we keep this legislation the better chance we have of passing it during this short session.
- Much of the short session will deal with reform to M110, Republicans have already introduced a major reform bill. Priorities for the short session are M110 and wild fire issues.

### In WA:

- Legislation to ban copay accumulators and maximizers was passed in 2022.

### At the national level:

- There are two pieces of legislation working through the House and the Senate. 5 of 6 OR Reps have signed on as sponsors, Val Hoyle has not – we're working on her. Not sure about the WA Reps.

# QUESTIONS

Madonna McGuire Smith contact information:  
[m.mcguiresmith@pnwbd.org](mailto:m.mcguiresmith@pnwbd.org)