

Copay Accumulator Adjustment Programs

Increasing Costs to Patients and the Health Care System

A 2020 NPF survey of people with psoriasis and psoriatic arthritis found:¹

80.3% taking biologics with commercial insurance rely on copay assistance.

71% with incomes between \$50,000 and \$99,999 would be unable to afford their treatment without copay assistance.



Under copay accumulator adjustment programs, health insurers **double dip** because out-of-pocket costs are paid twice.

Copay Assistance is financial assistance typically provided by charitable organizations or drug manufacturers to help patients pay out-of-pocket costs for their medications or health care services.



Although sometimes called “copay coupons” or “copay cards” it is important to remember that copay assistance is **real money**.

The Problem: Refusing to Count All Copays

Copay Accumulator Adjustment Programs:

- Do not count copay assistance toward a patient’s deductible or out-of-pocket maximum. The copay assistance – **real money** – is used to pay for the patient’s out-of-pocket costs but the health plan does not count it toward the patient’s deductible and out-of-pocket maximum.
- Allow insurance companies to **shirk their fiduciary responsibilities** by excluding copay assistance from cost sharing calculations.

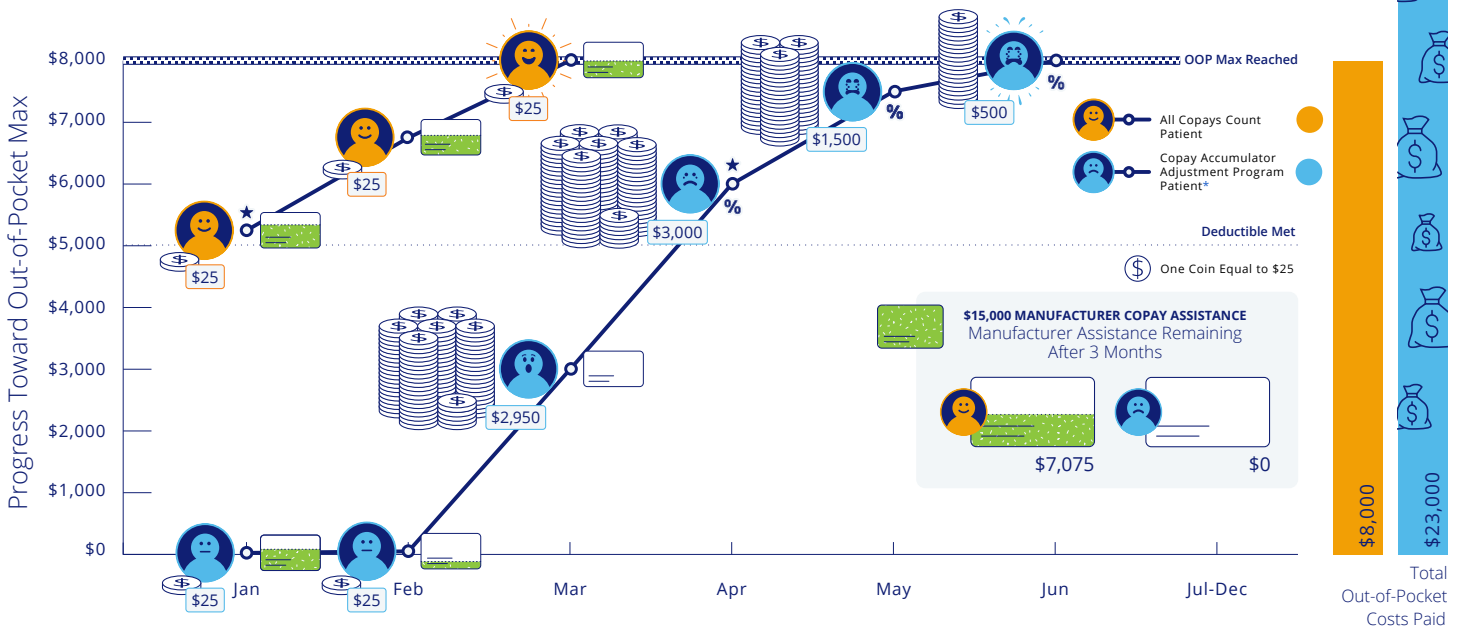
In a 2020 NPF survey, nearly half of people who experienced a copay accumulator adjustment program did not find out until they were at the pharmacy counter.

Terms to Know:

% Coinsurance: the out-of-pocket costs a patient owes for a service or medication, calculated as a percentage of the total cost.

★ Deductible: the amount of money the insured pays before insurance coverage kicks in.

🏠 Out-of-Pocket (OOP) Maximum: the maximum amount the insured pays out-of-pocket for services/treatments during the plan year before your insurance pays 100 percent of the costs.



Total Patient Out-of-Pocket Costs



The cost to the patient before accumulator program: **\$75**



The cost to the patient under accumulator adjustment program: **\$8,000**

¹This example does not reflect pre- or post-deductible per prescription out-of-pocket caps that have been implemented in some states.

\$15,000 More



Total Out-of-Pocket Costs Paid

Far Reaching Impact of Copay Accumulator Adjustment Programs

Impacts on Patients



Increases out-of-pocket costs

When copay assistance runs out, patients are stuck paying the bill, a second time, out of their own pocket.



May lead to worse health outcomes

Patients are far more likely to abandon their treatment when out-of-pocket costs exceed \$100.²



Nonadherence

Health care spending on emergency visits, hospital stays, and avoidable procedures increases when patients cannot afford treatments to manage their chronic disease.



Shirking fiduciary responsibility

Insurers and PBMs “double dip” because out-of-pocket costs are paid twice - first from copay assistance and then from patients.

Policy Solution: Ensure All Copays Count

Lawmakers can help patients afford critical treatments by ensuring all payments – made by or on behalf of patients – are counted toward the patients’ deductibles and out-of-pocket maximums:

- Patients should not be punished for utilizing copay assistance for treatments they need to control their chronic conditions.
- Insurers and PBMs should not shirk their fiduciary responsibilities.

Change is possible

5 states – Virginia, West Virginia, Arizona, Illinois and Georgia – have already stopped this discriminatory practice by ensuring all copays count.

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.³

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.

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.

References

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3. IQVIA. An Evaluation of Co-Pay Card Utilization in Brands after Generic Competitor Launch. <https://www.iqvia.com/locations/united-states/library/fact-sheets/evaluation-of-co-pay-card-utilization>