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Coalition of State Rheumatology Organizations

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March 7, 2023

Senate Health Care Committee
900 Court St Ne
Salem, OR 97301

Re: Support for SB 565

The Coalition of State Rheumatology Organizations (CSRO) is a national organization composed of over 30 state and regional professional rheumatology societies, including our member society in Oregon. CSRO was formed by physicians to ensure excellence and access to the highest quality care for patients with rheumatologic, autoimmune, and musculoskeletal disease. It is with this in mind that we write to you regarding SB 565.

As you consider SB 565, CSRO would like to convey its support for reforming the use of accumulator adjustment programs. SB 565 prevents double dipping by health insurers, and avoids serious health consequences for patients.

Rheumatologists are entrusted with the safe care of patients with rheumatoid arthritis and other autoimmune diseases that require the careful choice of safe and effective pharmaceutical and biological therapies. In many cases, this entails prescribing life changing, albeit expensive, drug therapies. Rheumatologists are very concerned with the financial impact that these therapies have on patients. Indeed, the increasingly untenable financial burden borne by patients with musculoskeletal illnesses, particularly those with autoimmune conditions, has had undeniable consequences for therapy adherence and ultimate patient outcomes.

Patients utilizing specialty drugs have likely already tried and failed all the available lower cost alternatives, but the drug they need is still out of reach. This is because their co-insurances can be greater than $1000 a month. Consequently, many would go without treatment if it weren't for patient assistance though co-pay cards. Many patients requiring these co-pay cards for their specialty medicines often have chronic diseases with multiple co-morbidities and medications. As a result, they cannot afford high premiums and are forced into policies with high deductibles that can be thousands of dollars.

Until recently, co-pay assistance counted towards a patient's deductible, and the health plan would collect the value of the deductible regardless of who paid. However, several years ago, insurers and pharmacy benefit managers began using alternative cost-sharing structures known as "accumulator adjustment programs." These programs prevent the value of co-pay assistance from being applied towards a patient's deductible as an out-of-pocket expense.

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Under these programs, **insurers will pocket the value of the co-pay card in addition to demanding the full deductible value from the patient**. This is despite the fact that patients utilizing these drugs already pay co-insurance based on the list price of the drug rather than the discounted price the PBM or health plan receives.

As stated earlier, due to the move towards high deductible health plans, and the inherent costliness of the drugs used to treat complex chronic conditions, most patients will not be able to afford their medication once the co-pay card benefit is exhausted and they are then forced to start paying off their deductible. This is despite the fact that the plan had already received the deductible amount or more from the co-pay card.

This will result in otherwise stable patients discontinuing their treatments, allowing for irreversible disease progression, flares, loss of effectiveness of their original therapy, and other adverse effects. Managing these results from non-adherence requires the use of substantially more resources than allowing for continuity of care from the beginning.

Stabilizing a patient's inflammatory condition, such as rheumatoid arthritis and lupus, is a process that can take months or even years of trial and error, based on disease complexity, the patient's unique medical history, and the clinical characteristics of the drugs being used. Rheumatologists do not prescribe expensive medications idly. Expensive medications are prescribed because they are medically necessary.

The use of accumulator programs by health plans and PBMs has been instituted without regard to the fact that most patients have no other choice than to use an expensive medicine for chronic diseases that impact every part of their lives. Indeed, it is patients with chronic diseases requiring lifelong treatments, often already experiencing disparity in health care, that are affected most by this unfair and discriminatory practice.

According to research done by IQVIA, co-pay card use for branded drugs that have lost exclusivity or have generic equivalents, "… represents a sliver of the total commercial market, making up only 0.4% of volume across all products." And only 3.4% of the total commercial volume has prescriptions that use co-pay cards.[1]

We urge you to support this legislation, which prevents insurers from discriminatorily punishing patients with complex chronic conditions when they

[1] *AN EVALUATION OF CO-PAY CARD UTILIZATION IN BRANDS AFTER GENERIC COMPETITOR LAUNCH, IQVIA,* https://www.iqvia.com/-/media/iqvia/pdfs/us/us-location-site/market-access/fact-sheet-evaluation-of-copay-card-utilization-post-loe.pdf?&_=1620140157792

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use accumulator programs to collect multiple deductibles from the assistance programs and the patients themselves.

For these reasons we request your support for SB 565.

Respectfully,

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