THE SITUATION

Drug Cost
$2000/month

Coupon
$2000/month, $10,000 max

Deductible
$2000/year

CURRENT STATE WITH ACCUMULATOR POLICY

Months 1-5 of plan year:
Member applies $2000/month coupon in months 1-5 but coupon maxes out in month 5.

Month 6 of plan year:
Member pays $2000 to meet plan deductible.

Month 7-12 of plan year:
Health plan pays drug cost remainder of the year.

Total Member Cost: $2000 | **Total Plan Cost:** $12,000 | **Total Manufacturer Coupon:** $10,000

HB 4113 (AS DRAFTED)

Month 1 of plan year:
Member applies $2000 coupon and meets plan's annual deductible.

Month 2-12 of plan year:
Coupon is not applied any further; health plan picks up the remainder of the annual cost.

Total Member Cost: $0 | **Total Plan Cost:** $22,000 | **Total Manufacturer Coupon:** $2,000

HB 4113 (WITH COUPON PROTECTIONS)

Month 1 of plan year:
Member applies $2000 coupon and meets plan's annual deductible.

Month 2-5 of plan year:
Coupon is then applied to lower the health plan's obligation until maxed out in month 5

Month 6-12 of plan year:
Health plan pays drug cost remainder of the year.

Total Member Cost: $0 | **Total Plan Cost:** $14,000 | **Total Manufacturer Coupon:** $10,000