

# Copay Accumulators: Increasing Patient Costs for Prescription Drugs

*Carl Schmid*

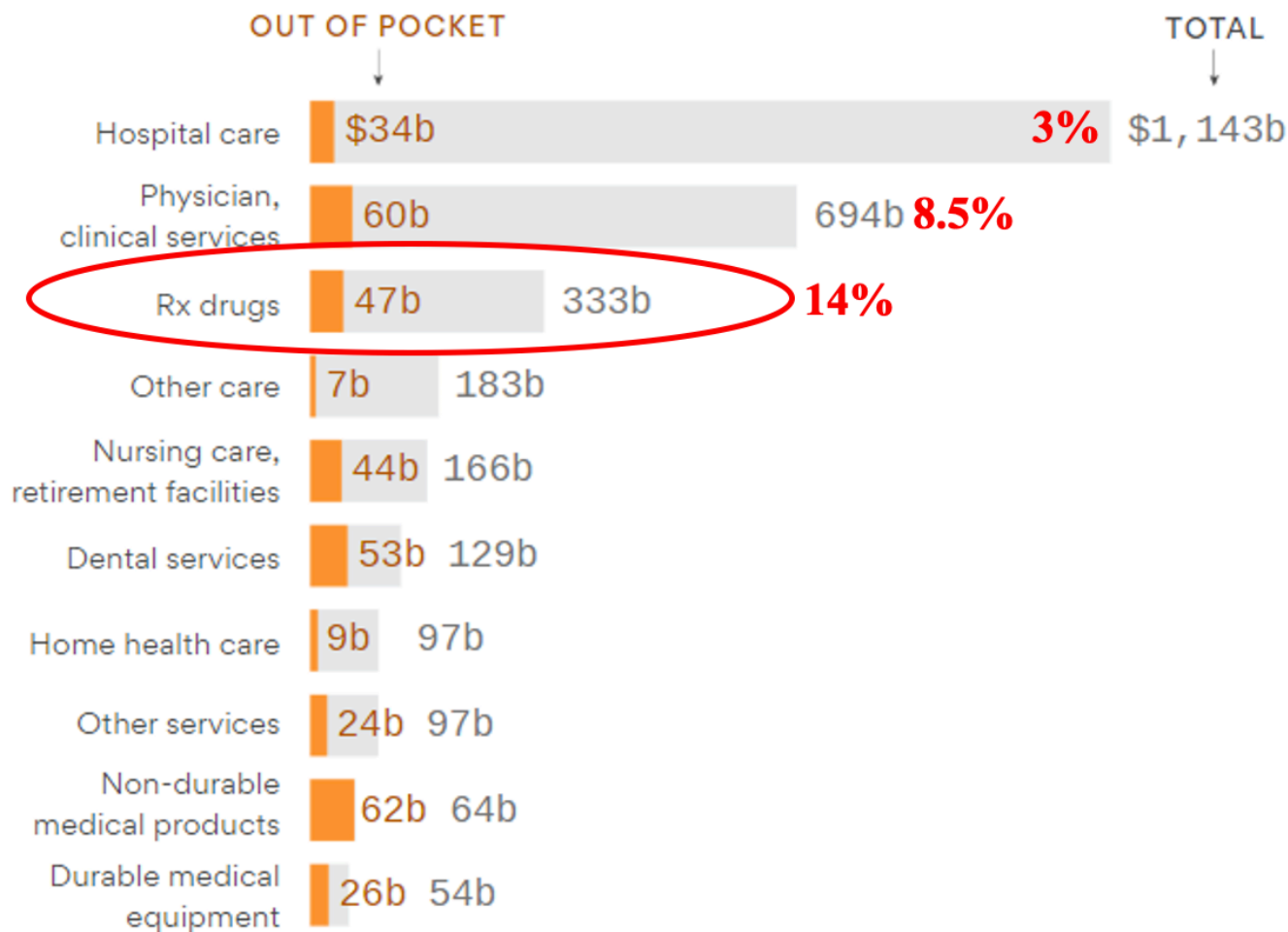
*Executive Director*

*HIV + Hepatitis Policy Institute*

*June 3, 2020*



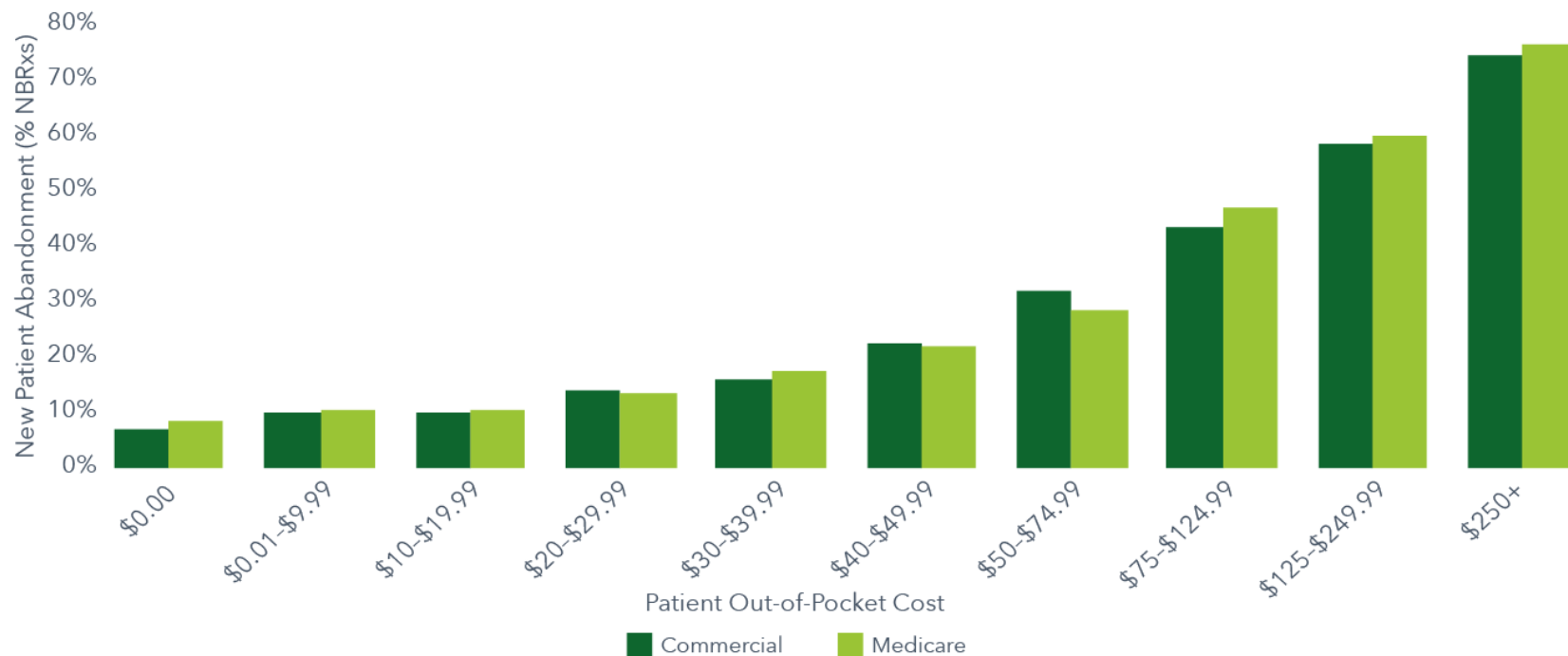
# Personal Healthcare Spending – 2017



*Adapted from Ezra Golberstein using NHEA data; Chart: Axios Visuals*

# Cost-Sharing and Rx Abandonment

## 30-Day New-to-Brand Abandonment by Patient Out-of-Pocket Cost in 2018 (Top Brands)



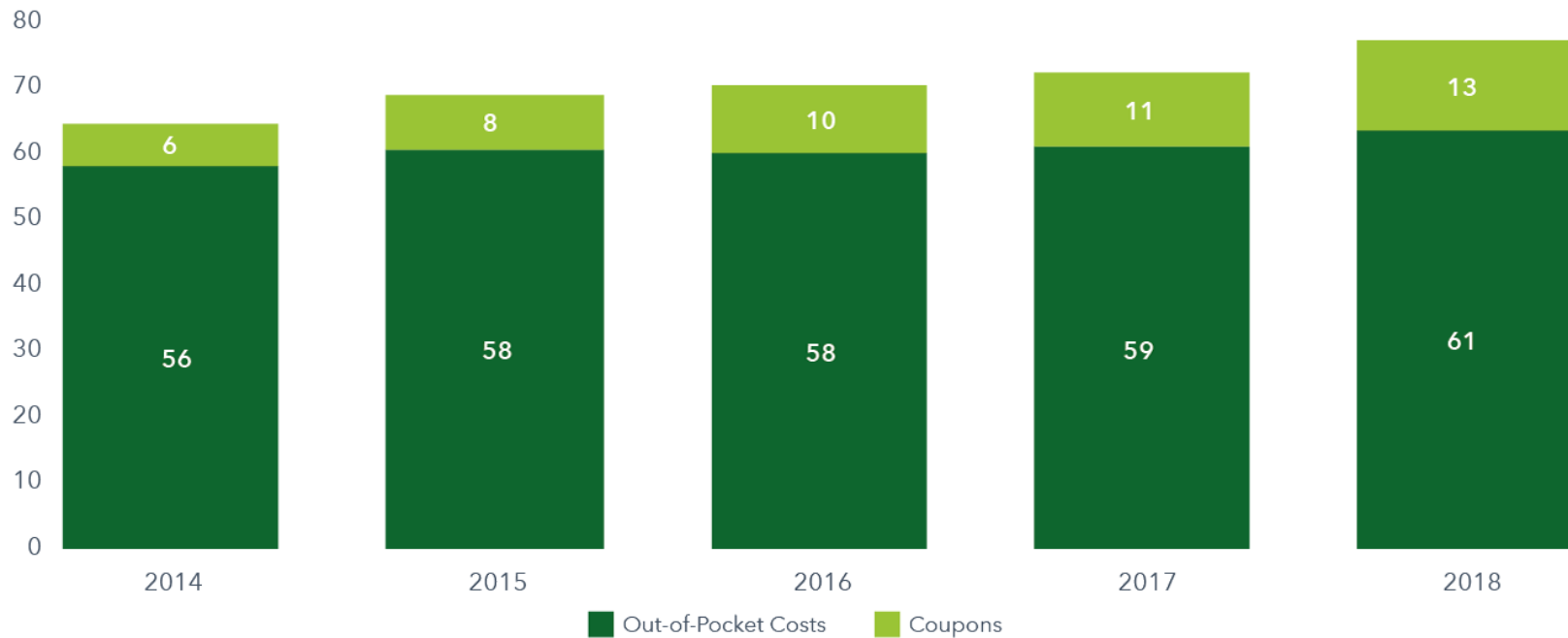
Source: IQVIA Formulary Impact Analyzer; IQVIA Analysis, Dec 2018

Chart notes: Analysis for sample of branded products representing 55% of branded prescription claims. 30-Day New-to-Brand abandonment for Commercial and Medicare Part D patients was measured from Jan 2015 to Mar 2018 and estimated for April to December 2018. Patients did not pick up relevant prescription or switch to another product during the 30 days after the initial prescription was abandoned. Patients were also analyzed to determine how many filled another prescription in the month following initial claim approval, which was abandoned.

Report: Medicine Use and Spending in the U.S. – A Review of 2018 and Outlook to 2023. IQVIA Institute for Human Data Science, May 2019

# Role of Copay Assistance

Patient Out-of-Pocket Cost for Prescriptions in Aggregate and Value Offset by Coupons, \$Bn



Source: IQVIA National Prescription Audit, Formulary Impact Analyzer, Jan 2019

Chart notes: OOP (out-of-pocket) costs estimated based on prescription volumes and observed OOP costs. OOP costs projected from sample in FIA to a national estimate using national adjusted prescriptions which were backprojected to estimate the trend prior to the trend break after 2016 due to restatement of NPA volumes (see Methodology section for more details).

Report: Medicine Use and Spending in the U.S. – A Review of 2018 and Outlook to 2023. IQVIA Institute for Human Data Science, May 2019

# Copay Accumulator Programs

- ▶ Instituted by insurers and pharmacy benefit managers (PBMs) that prevent manufacturer copay assistance contributions from counting towards a beneficiary's deductible and maximum out-of-pocket spending limits

# Copay Accumulator Case Study For HIV Antiretroviral Drug

- ▶ Plan annual OOP maximum: \$6,000
- ▶ Drug cost sharing: \$50 after deductible
- ▶ WAC monthly drug price: \$3,090
- ▶ Deductible (combined medical and Rx): \$3,000
- ▶ Manufacturer co-pay assistance program (CAP) annual maximum: \$6,000

Medication Costs without Co-pay Accumulator		
	Consumer	Manufacturer Co-pay Card
January	\$0	\$3,050
February	\$0	\$50
March	\$0	\$50
April - December	\$0	\$450
<b>Total</b>	<b>\$0</b>	<b>\$3,600</b>
<b>Total collected by Insurance Plan</b>	<b>\$3,600</b>	

Medication Costs with Co-pay Accumulator		
	Consumer	Manufacturer Co-pay Card
January	\$0	\$3,090
February	\$180	\$2,910
March	\$2,870	\$0
April - December	\$450	\$0
<b>Total</b>	<b>\$3,500</b>	<b>\$6,000</b>
<b>Total collected by Insurance Plan</b>	<b>\$9,500</b>	

\*Patient scenario developed by NASTAD and adopted by The AIDS Institute

# Federal Response

- ▶ **2020 Notice of Benefit and Payment Parameters required copay assistance to count in most situations**
  - For brand name drugs with no generic
  - When access brand drug that has a generic through exceptions or appeals process
  - May limit for brand name Rx when generic exists
  - Suspended August 2019 pending review

# Federal Response

- ▶ **2021 Notice of Benefit & Payment Parameters proposed rule allows plans not to count copay assistance for all drugs**
  - Final rule announced May 7<sup>th</sup>
  - Repeat claim that coupons promote use of higher priced Rx
  - Concern with conflicts w/High Deductible plans and HSAs
  - Acknowledge patient costs can increase but trust issuers
  - Plans must be transparent in displaying policies



# State Response

- ▶ **Several states passed legislation requiring copay assistance to count**
  - AZ, IL, VA and WV
  - Federal Rule recognizes that states can pass laws
  - OH, KY, OK, FL, LA & others pending
  - But, only applies to individual and small group plans

# Patient Community Response

- ▶ **Continued Federal Advocacy**
  - Urge HHS Not to Implement Rule
  - Congress
  - 2022 Notice of Benefit and Payment Parameters Rule
  
- ▶ **Continued State Advocacy**
  - Legislation
    - Sign-on letter
    - [bchandhok@arthritis.org](mailto:bchandhok@arthritis.org)
  - Insurance Commissioners

# Patient Community Response

- ▶ Monitor Plans
- ▶ Monitor Patient Impact
- ▶ Media
- ▶ Plan Benefit Design