



May 6, 2024

The Honorable Buffy Wicks  
Chairperson  
Committee on Appropriations  
California State Assembly  
1021 O Street  
Sacramento, CA 95814

**Re: Support for Health Care Coverage: Cost Sharing (AB 2180)**

Dear Chairwoman Wicks:

My name is Carl Schmid. I am the **executive director** of the **HIV+Hepatitis Policy Institute**, a leading HIV and hepatitis policy organization that promotes quality and affordable healthcare for people living with or at risk of HIV, hepatitis, and other serious and chronic health conditions. It is a pleasure to voice our strong support for AB 2180 (“Health Care Coverage: Cost Sharing”) which will protect patient assistance to help pay for medications by banning the use of copay accumulator policies. We thank you for considering this legislation and are proud to offer our support.

People with HIV, hepatitis, and other serious and chronic conditions rely on medications to remain alive and healthy. People with HIV and hepatitis B rely on drug regimens that they must take for the rest of their lives, while people with hepatitis C can be cured of their disease in as little as 8 to 12 weeks. However, even for those people with health insurance, access to these medications can be insurmountable due to high deductibles and cost-sharing, which is often co-insurance or a percentage of the list price of the drug. Copay assistance is critical for patients to afford and adhere to their medications. It is particularly important during these difficult times when so many individuals and families are facing increased costs and inflation.

However, more and more insurers and pharmacy benefit managers (PBMs) have instituted harmful policies that do not apply copay assistance towards beneficiaries’ out-of-pocket costs and deductibles. These policies are often referred to as “copay accumulator adjustment programs.” When implementing them the insurer collects the copay assistance from the drug manufacturer and the patient is able to pick up their medication, but that copay assistance is not counting towards the beneficiary’s deductible or out-of-pocket obligation. Then, later in the year, when the beneficiary goes to pick up their drug, they find out that copay assistance did not count and are stuck with a huge, unexpected copay. In order to pick up their drug they are forced to come up with often thousands of dollars, which few people have.

When using copay accumulators, insurers are double dipping: first they receive the copay assistance from the drug manufacturer and then they collect it again from the beneficiary. To make matters worse, issuers continue to conceal these policies deep in plan documents and leave patients

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unaware of the increase in patient costs that they might be subject to. In 2024, 5 out of 12 compliant issuers in California have instituted these policies<sup>1</sup>.

**HIV+Hep** strongly supports AB 2180. It simply requires that the copay assistance which beneficiaries receive counts towards their out-of-pocket obligations. By passing this law, California will join 20 other states (Arkansas, Arizona, Colorado, Connecticut, Delaware, Georgia, Illinois, Kentucky, Louisiana, Maine, New Mexico, New York, North Carolina, Oklahoma, Oregon, Tennessee, Texas, Washington, West Virginia, and Virginia), Puerto Rico and the District of Columbia in protecting consumers by assuring their copay assistance will count towards cost-sharing obligations.

For the benefit of patients who rely on prescription drugs to maintain their health, we support AB 2180. If you have any questions or need any additional information, please do not hesitate to reach out via phone at (202) 462-3042 or email at [cschmid@hivhep.org](mailto:cschmid@hivhep.org). Thank you very much.

Sincerely,



Carl E. Schmid II  
Executive Director

cc: Members, Appropriations Committee

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<sup>1</sup> <https://aidsinstitute.net/documents/TAI-2024-Report-2.27.pdf>.