



December 11, 2024

Sen. Nellie Pou, Chair
Senate Commerce Committee
25 West State Street
Trenton, NJ 08625

Re: Written Testimony in Support of S3818—Ensure Third-Party Payments Count Toward Patients Out-of-Pocket Costs

Members of the Senate Commerce Committee:

The **HIV+Hepatitis Policy Institute**, a leading organization advocating for quality and affordable healthcare for individuals living with or at risk of HIV, hepatitis, and other chronic health conditions, strongly supports Senate Bill 3818. This critical legislation requires health insurers to accept and count payments made on behalf of patients toward deductibles and out-of-pocket maximums.

Copay accumulators are harmful policies that many insurance plans, employers, and pharmacy benefits managers (PBMs) are implementing in which copay assistance does not count towards a beneficiary's out-of-pocket costs and deductible. By passing this bill, New Jersey will join 21 other states (Arkansas, Arizona, Colorado, Connecticut, Delaware, Georgia, Illinois, Kentucky, Louisiana, Maine, New Mexico, New York, North Carolina, Oklahoma, Oregon, Tennessee, Texas, Vermont, Virginia, Washington, and West Virginia) and the District of Columbia and Puerto Rico in protecting consumers purchasing insurance on the private market by assuring their copay assistance will count towards cost-sharing obligations.

People with HIV, hepatitis, and other serious and chronic conditions rely on medications to remain healthy and alive. 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 though people may have health insurance, access to these medications is still insurmountable for many due to high deductibles and cost-sharing, often in terms of co-insurance. 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.

More and more insurers and PBMs have instituted harmful policies that do not apply copay assistance towards beneficiaries' out-of-pocket costs and deductibles. **Currently, 2 out of 6 health plans available on the New Jersey individual marketplace have language in their individual health plan documents stating that copay assistance may not be counted.** When implementing these policies, the insurer collects the copay assistance from the drug

HIV+HEPATITIS POLICY INSTITUTE

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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. Insurers are double dipping: first they receive the copay assistance from the drug manufacturer and then they collect it again from the beneficiary.

For the benefit of patients who rely on prescription drugs to maintain their health, we urge you to pass Senate Bill 3818. 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.

Thank you very much.

Sincerely,



Carl E. Schmid II
Executive Director

cc: **Sponsors**
Sen. Jon M. Bramnick
Sen. Nicholas P. Scutari, Senate President
Senate Commerce Committee
Sen. Nellie Pou, Chair
Sen. Joseph P. Cryan, Vice Chair
Sen. Jon M. Bramnick
Sen. Gordon M. Johnson
Sen. Robert W. Singer
Liza Ackerman
Christian H. Weisenbache