



March 21, 2025

Sen. Michelle Strinden, President  
North Dakota Senate  
600 East Boulevard  
Bismarck, ND 58505-0360

**Re: Support HB 1216 – Ensure Third-Party Payments Count Toward Patients Out-of-Pocket Costs**

Members of the Assembly Financial Institutions and Insurance Committee:

The **HIV+Hepatitis Policy Institute**, a leading organization advocating for equitable and affordable healthcare for individuals living with or at risk of HIV, hepatitis, and other chronic health conditions, strongly supports **House Bill 1216**. This vital legislation ensures that health insurers accept and count payments made on behalf of patients toward their deductibles and out-of-pocket maximums.

**The Harmful Impact of Copay Accumulators**

Copay accumulators are harmful policies increasingly implemented by insurers, employers, and pharmacy benefit managers (PBMs). Under these policies, copay assistance provided by drug manufacturers does not count toward patients' cost-sharing obligations, such as deductibles and out-of-pocket maximums. While patients can initially use the assistance to afford their medications, they often face unexpected and substantial costs later in the year when the assistance runs out, leaving them unable to pay for their prescriptions.

According to the AIDS Institute, in North Dakota, 33% of health plans offered in the individual marketplace for 2025 explicitly state in their plan documents that copay assistance may not be counted toward patients' cost-sharing obligations. This practice leaves patients in a precarious situation: insurers collect the manufacturer's copay assistance, but the patient receives no credit toward their deductible or out-of-pocket maximum. Later, when patients return to refill their medications, they are often hit with unaffordable copays—sometimes thousands of dollars—effectively forcing them to pay twice. This “double-dipping” practice unfairly burdens patients and jeopardizes their ability to adhere to life-sustaining treatments.

**Why House Bill 1216 Is Essential**

By passing HB 1216, North Dakota will join 21 other states, the District of Columbia, and Puerto Rico in protecting consumers purchasing insurance on the private market. This legislation

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ensures that copay assistance counts toward cost-sharing obligations, preventing patients from facing insurmountable financial barriers to their medications.

For people with HIV, hepatitis, and other chronic conditions, reliable access to medication is critical. Individuals with HIV and hepatitis B require lifelong drug regimens, while those with hepatitis C can be cured in as little as 8 to 12 weeks. Yet high deductibles and cost-sharing requirements often make these treatments unaffordable, even for insured patients. Copay assistance is a lifeline, particularly in today's challenging economic climate, where inflation and rising costs are straining household budgets.

When patients are forced to forego their medications due to high costs, the consequences are severe—not just for individual health outcomes, but also for public health and healthcare system costs. Policies that limit access to copay assistance exacerbate these challenges, disproportionately affecting those who are already vulnerable. House Bill 1216 represents an essential safeguard against harmful insurer practices, ensuring equitable access to life-saving treatments for North Dakota residents.

If you have any questions or need additional information, please feel free to contact our Government Affairs Manager, Zach Lynkiewicz, at [zlynkiewicz@hivhep.org](mailto:zlynkiewicz@hivhep.org).

Thank you for your consideration and leadership on this critical issue.

Sincerely,



Carl E. Schmid II  
Executive Director

cc: North Dakota State Senate