

AMERICAN COLLEGE OF RHEUMATOLOGY

POSITION STATEMENT

SUBJECT: Programs Limiting Copay Assistance

PRESENTED BY: Committee on Rheumatologic Care

FOR DISTRIBUTION TO: Members of the American College of Rheumatology (ACR)

Medical Societies

Members of Congress

Health Care Organizations/Third Party Carriers

Managed Care Entities

POSITION:

1. The ACR opposes insurance restrictions that prevent application of funds from assistance programs toward patients' deductibles and out-of-pocket maximum payments.
2. The ACR encourages transparent language for insurance contracts, including programs that limit the use of copay assistance, with clear warnings to employers and patients that such programs increase out-of-pocket costs.

BACKGROUND:

The rise in medication costs and the resulting adverse impact on patient access has become an urgent issue within the US healthcare system. Many medications used to treat rheumatic diseases are expensive specialty drugs. Specialty medications are generally classified as high cost, high complexity and/or high touch. These include targeted immune modulators such as biologics. The reasons for high specialty medication costs are complex, and the ACR has developed several position and

policy statements addressing these factors. Ideally, reductions in the cost of medications should lead to improved access for patients; however, no broadly acceptable solutions have been identified and no relief is in sight. To make matters worse for patients with rheumatic diseases, the medications they require are often single-source therapies with no equivalent generic product or therapeutic alternative. The specialty medications, unlike many retail pharmacy medications, are currently inaccessible without the use of copay assistance programs.

Health plans and insurers have systematically shifted costs for specialty drugs onto patients through drug coinsurance programs. This cost shifting, when coupled with the high cost of specialty medications, results in prohibitive out-of-pocket costs for the patient. In response, copay assistance programs are offered by pharmaceutical manufacturers to offset these costs. Copay assistance programs cover the patient's drug coinsurance, which in a conventional benefit design is also applied to the patient's annual deductible and out-of-pocket maximum. These programs thereby preserve patient access to otherwise unaffordable drugs when out-of-pocket expenses are high. They allow patients access to life altering medications without regard to personal financial status. Without such assistance, these medically necessary treatments are out of reach for many patients and their medical conditions are untreated or undertreated with the result of permanent joint damage and disability, inability to maintain employment, expensive surgeries, and overall higher health care costs.

Critics of copay assistance programs assert that because they do not reduce the overall cost of the drug (and simply subsidize patient out-of-pocket expenses), copay cards allow drug prices to remain high. Supporters counter that health insurance plans are not without recourse, and invariably extract rebates from manufacturers of specialty drugs to reduce the cost of the drugs to the health plans. The ACR acknowledges the potential downsides associated with copay assistance programs, but until such time as inflation in medication costs is controlled and patients have reasonable access to medically necessary therapies, we support the use of copay assistance as a means to provide treatment for otherwise devastating diseases.

In response to copay assistance programs, certain prescription benefit plans have implemented rules prohibiting the application of copay assistance toward a patient's deductible or out-of-pocket maximum. The ACR vigorously opposes such

prohibitions. These programs, commonly called “copay accumulator” plans, differ from conventional benefit designs in that they have the effect of negating the benefit of copay assistance for patients in need, shifting drug costs to patients, and therefore threatening access to medically necessary therapies. The vast majority of specialty medications used in rheumatology are single source therapies with no equivalent generic product or therapeutic alternative. Therefore, patients are left without access to effective therapeutic alternatives, and prescription abandonment ensues. Greater than one in four specialty brand prescriptions are abandoned during the deductible phase, which is three times greater than the abandonment rate when there is no deductible¹.

The language describing programs that limit or prohibit the use of copay assistance is not uniform and often ambiguous or outright misleading. This results in employers and patients being confused by or unaware of these new programs when purchasing a policy. Terms such as “Coupon Adjustment: Benefit Plan Protection Program²” and “Out of Pocket Protection Program³” used by major insurers and PBMs suggest protections or reductions in out-of-pocket costs when the effect is indeed the opposite.

In summary, high medication prices, the lack of therapeutic alternatives, and insurance programs that shift costs to patients, result in patients with rheumatic diseases being exposed to high out-of-pocket costs. This threatens access to medically necessary care. Insurance restrictions that prevent application of funds from assistance programs toward patients’ deductibles, such as copay accumulator programs, exacerbate this problem.

Approved by Board of Directors 10/2018

¹ <https://www.iqvia.com/institute/reports/medicines-use-and-spending-in-the-us-a-review-of-2016>. Accessed 5/8/18

² <https://www.uhc.com/employer/pharmacy/total-cost-management>. Accessed 5/8/2018

³ <https://www.express-scripts.com/#/>. Accessed 5/8/2018