BLEEDING DISORDERS ASSOCIATION OF SOUTH CAROLINA

COSPONSOR H.3618 & S.1024

BDASC urges, allow all patient assistance programs to count towards a person's out-of-pocket cost shares when there is no generic alternative for treatment

- Treatment therapies today are extremely expensive and for people impacted by rare diseases and chronic illnesses such as hemophilia and other bleeding disorders, arthritis, asthma, MS, cystic fibrosis, cancer, diabetes, HIV, and sickle cell. Many of these diseases may have **No Generic Options** for their specialized medications. As healthcare costs have risen, so has the patient cost shares; such as co-pays, co- insurances, deductibles, and maximum out - of - pocket costs. These medications are so expensive that often two- or three-monthly doses cause the patient to hit their out-of-pocket maximum for the year. Most often, patients will need financial patient assistance programs to afford these life – saving medications.

- A copay assistance program is not a coupon. As cost shares continued to climb the last 15 years, non - profits, charitable organizations, churches, and manufacturers helped provide access to these high-cost medications with patient assistance programs, which were first based on income eligibility. Once these cost shares became too high for most individuals, the programs were expanded. A patient must be prescribed a medication needed by their physician. A patient will reach out to their specialist pharmacy which the insurance company has contracted with. The patients will be told what their out-of-pocket share cost will be before the medication will be shipped. If the patient does not have the resources available to pay that cost share, they may be able to apply for copay assistance. They must apply through the programs available, which can be a manufacturers program for that medication. They must send all the documentations from the healthcare provider, fill out all required information, and wait for approval. This is done annually each year by the patient. If approved, the patient can use the assistance for their cost shares.

- You may have heard that copay assistance pushes patients towards higher cost or brand name drugs. 99.6% of patient copay assistance programs are for treatments that **do not have a generic** alternative. Health plans still determine their formularies, and patients must still go through prior authorization and the additional cost saving utilization processes the insurance plans implement.

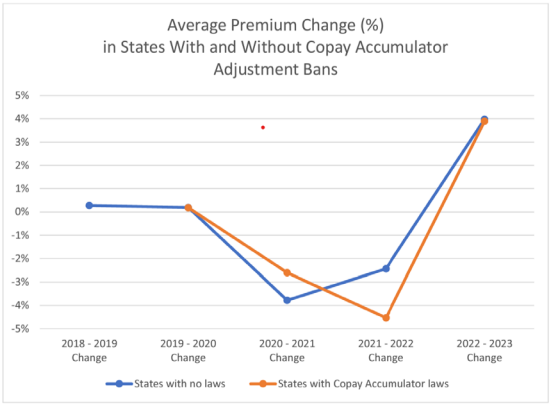
- Patients often thought they had met their out-of-pocket maximum when they ordered their medication with the use of the patient assistance programs. However, when they order their next month's prescription, the pharmacy states they must pay thousands of dollars before they can receive that next shipment. The insurance company implemented a **Copay Accumulator Adjustment Program (CAAP)** and accepted the assistance money, but did not apply it to their deductibles. They are now required to pay the entire deductible before the shipment can be released. There are no making payments. The health plan receives twice or more, the maximum out of pocket written for the policy, once or more by the assistance program, and once by the patient.

- The phrase **'Skin in the Game"** has been used by insurance companies about allowing patient assistance to count towards a patient's out of pocket costs. This statement ignores the enormous - and often lifetime- costs that patients with chronic disease bear, not to mention the need for policies that usually have **high premium costs** they must pay to insure they have adequate insurance coverage, not to mention the myriad of other financial challenges that come with living with a chronic condition.

- There will be **little impact on insurance costs** if this practice of CAAP is banned in South Carolina. Several recent reports and studies have been conducted showing that allowing copay assistance to count towards a patient's deductible **does not increase premiums**, but in many cases, it lowers the costs as patients remain compliant and prevent disease progression and other complications. Without assistance, patients have no choice but to *go to the Emergency Rooms* for their treatment care which is expensive for South Carolina's health care system.

- Ensuring all copays count is about fair business practices. H3618 and S.1024 will address unfair practices, protecting patients by ensuring any payments made on their behalf counts towards their out of pockets costs. South Carolina takes pride in being a very business-friendly state. Employers will lose employees if they cannot stay healthy or access lifesaving treatments for their children and loved one.
- Nineteen other states, the territory of Puerto Rico, and the District of Columbia have passed similar legislation including SC neighboring states, Tennessee, Kentucky, Georgia, North Carolina, West Virginia, and Virginia. In 2024, **Thirteen states have introduced** CAAP legislation. In most states that have passed banns, the votes have been almost unanimous.

The AIDS Institute analyzed annual premium changes in states with copay accumulator adjustment bans and those without. **We found no evidence that enacting a copay accumulator adjustment ban has a meaningful impact on average premiums.**



Source: Marketplace Average Benchmark Premiums, Kaiser Family Foundation. Assumes that impact of copay accumulator adjustment bans would begin on Jan 1 of the year following enactment of the state law.

Marketplace Average Benchmark Premiums by State Copay Assistance Accumulator Bans in Place by 2023

States	2018	2019	2020	2021	2022	2023
Arizona	$516	$471	$442	$436	$390	$410
Illinois	$486	$478	$451	$423	$418	$453
Virginia	$535	$555	$521	$479	$450	$371
West Virginia	$545	$596	$628	$654	$752	$824
Georgia	$483	$487	$463	$456	$394	$413
Arkansas	$364	$378	$365	$394	$387	$416
Connecticut	$545	$475	$570	$580	$581	$627
Kentucky	$422	$460	$471	$476	$387	$422
Louisiana	$474	$454	$500	$545	$541	$565
North Carolina	$627	$618	$558	$516	$504	$512
Oklahoma	$659	$696	$601	$554	$498	$510
Tennessee	$743	$548	$511	$466	$445	$473
Delaware	$589	$684	$548	$540	$548	$549
Maine	$588	$544	$513	$440	$427	$457
New York	$506	$569	$610	$597	$592	$627
Washington	$336	$406	$391	$388	$396	$395

Source: Kaiser Family Foundation, Marketplace Average Benchmark Premiums. Assumes law impacted premiums the year after it was passed. Key: Blue cells = States with copay accumulator adjustment bans passed between 2019 and 2022; Orange font = Year law impacted premiums

AIDS Institute State Comparison Premium Analysis