



November 7, 2019

**Via Electronic Communication**

Roger Brown  
Director, Office of House of Delegates Affairs  
American Medical Association  
roger.brown@ama-assn.org

Re: Letter in Support of AMA Resolutions 205 and 815

Dear Roger Brown:

Aimed Alliance is a 501(c)(3) non-profit health policy organization that seeks to protect and enhance the rights of health care consumers and providers. Thank you for providing interested stakeholders the opportunity to communicate their views regarding the resolutions that the American Medical Association (AMA) House of Delegates will be considering at the House of Delegates Interim Meeting between Nov. 14-19, 2019. We write to you today in support of Resolution 205 and Resolution 815.

**A. Copay Accumulators**

Aimed Alliance asserts its support for Resolution 205, which would commit the AMA to developing model state legislation to address copay accumulator programs based on the law recently enacted in Virginia.<sup>1</sup> Virginia's copay accumulator law offers strong consumer protection to patients in response to the rising popularity of copay accumulator programs, and we support implementing similar laws in other states.

When patients cannot afford their medications, they may rely on financial assistance from pharmaceutical manufacturers and other third parties to meet their health plan's cost-sharing responsibilities and fill their prescriptions. The value of this financial assistance typically counts toward the health plan's deductible or maximum out-of-pocket limit, unless the health plan has implemented a copay accumulator program. Copay accumulator programs exclude the value of financial assistance from third parties from counting toward the health plan's deductible or maximum out-of-pocket limit. These programs may force patients to switch or stop taking their treatment because they cannot afford their out-of-pocket costs once their financial assistance has been exhausted. Copay accumulator programs may disproportionately affect patients whose conditions are managed or treated by drugs in specialty formulary tiers that require greater cost-sharing from the patient. Virginia's copay accumulator law, enacted on March 21, 2019, requires health plans to include amounts paid by an enrollee or on their behalf in the calculation of the enrollees out-of-pocket maximum or any other cost-sharing requirement. This protects patients by preventing health plans from excluding the value of third-party financial assistance from the

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<sup>1</sup> <https://www.ama-assn.org/system/files/2019-09/i19-205.pdf>

calculation of their deductible. Without this protection, patients who use third-party financial assistance to fulfill their cost-sharing responsibilities could find that they cannot afford to fill their prescriptions once their financial assistance is exhausted. This can lead to treatment nonadherence or abandonment, disease progression or relapse, and increased health care utilization. These outcomes should be avoided to ensure that health care resources are allocated efficiently. As such, we urge the House of Delegates to adopt Resolution 205.

## **B. Step Therapy**

Aimed Alliance supports Resolution 815, which would commit the AMA to extending its advocacy for patient protections from Medicare Advantage plans to all health plans and support state and federal legislation that would allow clinician-initiated exceptions to step therapy protocols.<sup>2</sup> Step therapy policies, also referred to as “fail first,” require insured individuals to try and fail on alternative treatments, sometimes with adverse effects, before the insurer or pharmacy benefit manager will cover the prescribed treatment. Step therapy policies can be unethical and inconsistent with sound scientific and clinical evidence, resulting in interference with the practitioner-patient relationship and significant delays in access to prescribed treatments.

We support Resolution 815 because state law does not uniformly protect patients against unreasonable step therapy policies. Additionally, federal law could be improved by requiring exception processes in employer-sponsored health plans, which would provide greater certainty to patients that their providers are able to advocate in their best interests when step therapy requirements inhibit their ability to access medically necessary treatments. As such, we urge the House of Delegates to adopt Resolution 815.

Thank you for considering our support of these two resolutions.

Sincerely,

A handwritten signature in black ink that reads "John Wylam". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John Wylam

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<sup>2</sup> <https://www.ama-assn.org/system/files/2019-10/i19-refcomm-j-addendum.pdf>