



March 3, 2020

Kentucky House of Representatives
700 Capital Ave.
Frankfort, KY 40601

Re: In support of HB 72, “An Act Relating to Prescription Drugs”

Dear Banking and Insurance Committee Members:

Aimed Alliance is a 501(c)(3) nonprofit health policy organization that seeks to protect and enhance the rights of health care consumers and providers. On behalf of Aimed Alliance, I am writing to you in support of Kentucky HB 72, “An Act Relating to Prescription Drugs.” This legislation would address the growing use of copay accumulator programs by requiring health plans to include cost-sharing amounts paid by and on behalf of enrollees in the calculation of their maximum out-of-pocket limits unless they fill a prescription for a brand medication with a generic equivalent. We request that you vote in favor of this legislation during the Banking and Insurance Committee hearing on March 4, 2020.

Historically, privately insured individuals who cannot afford their copayments or coinsurance have been able to obtain aid from copayment assistance programs – copay coupons offered by drug manufacturers. These copay coupons not only contribute toward the patient’s copayment but also count toward the patient’s annual deductible. These programs have been especially helpful for individuals enrolled in high deductible health plans (HDHPs) in which the patient is required to pay significantly high out-of-pocket costs until the deductible is reached.

Health plans are increasingly implementing copay accumulator programs, which prevent copayment assistance from counting toward a plan enrollee’s deductible.¹ Patients with complex health conditions often depend on patient assistance to access their medically necessary treatments. However, patient assistance is not a bottomless well. Patients receive a finite amount each year. Once copayment assistance runs out, many patients can no longer afford their medications.² In many instances, there are no generic alternatives, placing patients at risk for medication adherence issues, including skipping refills, rationing medications, or abandoning treatment altogether.³ A recent survey by Truven Health Analytics revealed that cost is the biggest barrier to medication adherence.⁴ Nonadherent patients can face disease progression or relapse, and increased health care utilization (e.g., more visits to the doctor and hospitalization).⁵ These adverse health consequences and increased financial strain add stress and anxiety to the lives of people who are already vulnerable.⁶

¹ <https://www.npr.org/sections/health-shots/2018/05/30/615156632/why-some-patients-getting-drugmakers-help-are-paying-more>

² https://ajmc.s3.amazonaws.com/media/pdf/AJMC_07_2019_Sherman%20final.pdf

³ <https://www.healthaffairs.org/doi/10.1377/hblog20180824.55133/full/>

⁴ <https://www.beckershospitalreview.com/opioids/truven-health-analytics-npr-health-poll-finds-cost-is-top-cause-of-unfilled-prescriptions.html>

⁵ <https://www.healthaffairs.org/doi/10.1377/hblog20180824.55133/full/>

⁶ <https://www.apa.org/news/press/releases/stress/2017/uncertainty-health-care.pdf>

HB 72 would require health plans to include cost-sharing amounts paid by and on behalf of enrollees in the calculation of their maximum out-of-pocket limits unless they fill a prescription for a brand medication with a generic equivalent. This puts reasonable restrictions on the use of copay accumulator programs by only allowing them to be used when an enrollee fills a prescription for a brand medication with a generic equivalent. Additionally, HB 72 creates an incentive for enrollees to select less expensive medications without penalizing them for relying on financial assistance to afford their medications or placing them at risk of developing medication adherence issues as a result of their financial assistance becoming exhausted. For these reasons, Aimed Alliance requests that you vote in favor of this legislation during the Banking and Insurance Committee hearing on March 4, 2020. Thank you for considering our position on this legislation.

Sincerely,

A handwritten signature in cursive script that reads "John Wylam". The signature is written in black ink and is centered on the page.

John Wylam
Staff Attorney