



September 25, 2020

Via Electronic Communication

Kevin Cahill
Chair, Committee on Insurance
New York Assembly
CahillK@nyassembly.gov

Dick Gottfried
Chair, Committee on Health
New York Assembly
GottfriedR@nyassembly.gov

Re: Letter in Support of S6303/A8246

Dear Assembly Members Cahill and Gottfried:

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. We are writing in support of S6303 and A8246, and we ask that you put the bill to a vote before session ends.

Historically, privately insured individuals who cannot afford their copayments or coinsurance have been able to obtain aid from copayment assistance programs – discount programs in which a pharmaceutical manufacturer may offer a coupon card or rebate to an individual to ease the burden of high out-of-pocket costs. The coupon card or rebate contributes toward the patient’s deductible and maximum out-of-pocket limit. These programs have been especially helpful for individuals enrolled in high deductible health plans 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 that prevent the value of a drug manufacturer’s coupon from counting toward a patient’s deductible and maximum out-of-pocket limit.¹ Under such programs, once copayment assistance runs out, the plan enrollee is again faced with an inability to afford his or her medication. In some instances, there are no generic alternatives, and patients may be forced to ration their medications or abandon treatment altogether.² As a result, they can experience disease progression, relapse, and other adverse events, thereby increasing health care utilization.³

As you know, S6303 and A8246 prohibit health insurers from adopting copay accumulator programs for a branded drug unless a medically appropriate generic medication is available. The bill is crafted to incentivize patients to use lower cost medications only when such medications are available and deemed medically appropriate, but it recognizes that copay accumulator programs

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

² <https://www.healthaffairs.org/doi/10.1377/hblog20180824.55133/full/>

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

are inappropriate where no generic alternative exists. As such, S6303 and A8246 strike a balance between the interests of health plans and pharmaceutical manufacturers without unreasonably penalizing patients for relying on financial assistance.

Millions of American across the country rely on cost-sharing assistance to afford their medications. Such assistance is only helpful if it can be counted toward patients' deductibles or maximum out-of-pocket limits. This is especially problematic during the COVID-19 pandemic when unemployment rates are dramatically increasing every week, and individuals are struggling more than ever to afford their medications. In June 2020, New York's unemployment rate increased to 15.7 percent, nearly four times as high as the previous year.⁴ In New York City, the unemployment rate was 20.4 percent, which is five times higher than the previous year.⁵ Many of these individuals may now rely on marketplace exchange plans with high out-of-pocket costs. They need additional protections, such as the ones laid out in S6303 and A8246. As such, we ask that you support S6303 and A8246 and urge your fellow legislators to pass the bill. Thank you for considering our position on S6303 and A8246.

Sincerely,

Stacey L. Worthy
Counsel

CC:

Rodneyse Bichotte
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Crystal People-Stokes
Gary Pretlow
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Dan Rosenthal
Linda Rosenthal
Phil Steck
Steve Stern
Latrice Walker

⁴<https://labor.ny.gov/stats/pressreleases/pruistat.shtm#:~:text=In%20June%202020%2C%20the%20statewide,from%2012.0%25%20to%2012.2%25.>

⁵<https://labor.ny.gov/stats/pressreleases/pruistat.shtm#:~:text=In%20June%202020%2C%20the%20statewide,from%2012.0%25%20to%2012.2%25.>