



February 1, 2020

**Via Electronic Communication**

Shane Pendergrass  
Chair, Health and Government Operations  
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Maryland House of Delegates  
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Joseline A. Pena-Melnyk  
Vice-Chair, Health and Government  
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Bonnie Cullison  
Chair, Insurance and Pharmaceuticals Sub-  
Committee  
Maryland House of Delegates  
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Re: Letter in Support of HB167

Dear Delegates Pendergrass, Pena-Melnyk, and Cullison:

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 HB167, and we ask that you approve the bill for a full vote before the legislature.

Historically, privately insured individuals who cannot afford their copayments or coinsurance have been able to obtain aid from copayment assistance programs –programs in which a pharmaceutical manufacturer may offer cost-sharing assistance, typically in the form of a coupon card, to an individual to ease the burden of high out-of-pocket costs. Traditionally, the coupon card contributes also 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 (HDHPs) in which the patient is responsible for high out-of-pocket costs until the deductible is reached. Increasingly, HDHPs are the only option for many Americans; many employers and marketplace exchanges only offer HDHPs.<sup>1</sup>

Health plans are increasingly implementing copay accumulator programs, which prevent the value of a drug manufacturer’s coupon from counting toward a patient’s deductible and maximum out-of-pocket limit.<sup>2</sup> 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

<sup>1</sup> <https://www.goodrx.com/blog/the-pros-and-cons-of-high-deductible-health-plans>

<sup>2</sup> <https://www.npr.org/sections/health-shots/2018/05/30/615156632/why-some-patients-getting-drugmakers-help-are-paying-more>

treatment altogether.<sup>3</sup> As a result, they can experience disease progression, relapse, and other adverse events, thereby increasing health care utilization.<sup>4</sup>

HB167 seeks to rectify this issue by requiring payers to include any payments made by the insured or a person on behalf of the insured when calculating the cost-sharing requirement and maximum out-of-pocket limit. Effectually, this bill would prohibit health insurers from adopting copay accumulator programs, ensuring that Maryland patients would not be unreasonably penalized for relying on financial assistance from third parties.

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 and maximum out-of-pocket limits. Copay accumulator programs are 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 November 2020, Maryland's unemployment rate was at 6.8 percent, twice as high as the previous year.<sup>5</sup> In Baltimore City, the unemployment rate was 8.5 percent, which is also two times as high as the previous year.<sup>6</sup> 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 HB167. As such, we ask that you support HB167 and urge your fellow legislators to pass the bill. Thank you for considering our position.

Sincerely,

Stacey L. Worthy  
Counsel

CC:

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

<sup>4</sup> <https://www.healthaffairs.org/doi/10.1377/hblog20180824.55133/full/>

<sup>5</sup> <https://www.bls.gov/eag/eag.md.htm>.

<sup>6</sup> <http://www.dllr.maryland.gov/lmi/laus/>.



February 1, 2020

**Via Electronic Communication**

Delores G. Kelley  
Chair, Finance Committee  
Chair, Health and Long-Term Care Sub-  
Committee  
Maryland Senate  
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Brian J. Feldman  
Vice-Chair, Finance Committee  
Maryland Senate  
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Re: Letter in Support of SB290

Dear Senator Kelley and Senator Feldman:

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 SB290, and we ask that you approve the bill for a full vote before the legislature.

Historically, privately insured individuals who cannot afford their copayments or coinsurance have been able to obtain aid from copayment assistance programs—programs in which a pharmaceutical manufacturer may offer cost-sharing assistance, typically in the form of a coupon card, to an individual to ease the burden of high out-of-pocket costs. Traditionally, the coupon card has contributed also 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 (HDHPs) in which the patient is responsible for high out-of-pocket costs until the deductible is reached. Increasingly, HDHPs are the only option for many Americans; many employers and marketplace exchanges only offer HDHPs.<sup>1</sup>

Health plans are increasingly implementing copay accumulator programs, which prevent the value of a drug manufacturer’s coupon from counting toward a patient’s deductible and maximum out-of-pocket limit.<sup>2</sup> 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.<sup>3</sup> As a result, they can experience disease progression, relapse, and other adverse events, thereby increasing health care utilization.<sup>4</sup>

SB290 seeks to rectify this issue by requiring payers to include any payments made by the insured or a person on behalf of the insured when calculating the cost-sharing requirement and maximum out-of-pocket limit. Effectually, this bill would prohibit health insurers from adopting

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<sup>2</sup> <https://www.npr.org/sections/health-shots/2018/05/30/615156632/why-some-patients-getting-drugmakers-help-are-paying-more>

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

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copay accumulator programs, ensuring that Maryland patients would not be unreasonably penalized for relying on financial assistance from third parties.

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 and maximum out-of-pocket limits. Copay accumulator programs are 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 November 2020, Maryland's unemployment rate was at 6.8 percent, twice as high as the previous year.<sup>5</sup> In Baltimore City, the unemployment rate was 8.5 percent, which is also two times as high as the previous year.<sup>6</sup> 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 SB290. As such, we ask that you support SB290 and urge your fellow legislators to pass the bill. Thank you for considering our position on SB290.

Sincerely,

Stacey L. Worthy  
Counsel

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J. B. Jennings  
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<sup>5</sup> <https://www.bls.gov/eag/eag.md.htm>.

<sup>6</sup> <http://www.dllr.maryland.gov/lmi/laus/>.