



March 25, 2022

Via Electronic Communication

Chairman Rep. Zack Stephenson
Minnesota House of Representatives
Commerce Finance and Policy Committee
509 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Vice-Chair Rep. Carlie Kotyza-Witthuhn
Minnesota House of Representatives
Commerce Finance and Policy Committee
567 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Re: Statement in Support of Minnesota Legislation to Reform Copay Accumulator Programs

Dear Chairman Stephenson and Vice-Chair Kotyza-Witthuhn:

Aimed Alliance is a 501(c)(3) not-for-profit health policy organization that seeks to protect and enhance the rights of health care consumers and providers. We support efforts to introduce and pass legislation in Minnesota that would limit insurers' and pharmacy benefit managers' use of copay accumulator programs.

Traditionally, when patients have been unable to afford their prescription medications, they have been able to receive copay assistance from manufacturers and third parties to help offset the cost of their medications. The value of this assistance has traditionally counted toward the individual's deductible and annual out-of-pocket limit. However, health plans are increasingly implementing copay accumulator programs, which are health insurance policies that allow the plan to accept the third-party assistance for the cost of the prescription but exclude this assistance from counting towards the individual's deductible and annual out-of-pocket maximum. These programs can result in a lack of medication adherence as patients may be forced to switch or stop their medications once their financial assistance has been exhausted and their copay is once again unaffordable.

A 2022 survey found that at least half of all plans in Minnesota are using a copay accumulator program.¹ The use of these programs is especially problematic during the COVID-19 pandemic, when people are still recovering from the heightened unemployment and inflation rates and may already be experiencing difficulties paying their bills. Requiring copay assistance to count towards meeting an individual's deductible and annual out-of-pocket limit can help individuals reach their cost sharing requirements earlier without paying thousands of additional dollars out-of-pocket.

The Minnesota state legislature can take action to adopt a copay accumulator law that would require health plans to count third-party assistance towards the individual's annual out-of-pocket maximum. Twelve states have already taken steps to protect consumers by passing legislation that limits copay accumulator programs. Minnesota can be next.

¹ The Aids Institute, Discriminatory Copay Policies Undermine Coverage for People with Chronic Illness: Copay Accumulator Adjustment Policies in 2022, at p. 4, https://aidsinstitute.net/documents/final_TAI_2022-Report-Update_020122.pdf.



Aimed Alliance supports the work of the Minnesota All Copays Count Coalition and encourages the Minnesota state legislature to take immediate action to address these policies and protect consumers.

Sincerely,

Ashira Vantrees
Staff Attorney