



May 8, 2024

Assemblymember Buffy Wicks
Committee on Appropriations
California State Assembly
1021 O Street
Sacramento, CA 95814

Re: AB 2180 – Ensuring Equitable Copay Practices

Dear Assemblymember Wicks:

Aimed Alliance is a not-for-profit health policy organization that seeks to protect and enhance the rights of healthcare consumers and providers. We support Assembly Bill 2180 – Ensuring Equitable Copay Practices, which would ban copay accumulator policies in California. **We urge the swift passage of AB 2180 to ensure that all copay assistance contributes towards patients' deductibles and annual out-of-pocket limits.**

Individuals with commercial insurance are often required to pay a copay to access their prescription drugs. When patients cannot afford their copays, 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 distributed by third parties from counting toward the health plan's deductible or maximum out-of-pocket limit, resulting in consumers unnecessarily paying thousands of dollars extra to fulfill their annual cost-sharing requirements. This sudden financial strain can cause heightened anxiety and stress; and 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. As a result, patients may experience disease progression, relapse, and other adverse health events, ultimately resulting in increased healthcare utilization.

Moreover, if a consumer switches health plans mid-year after depleting their copay assistance under their previous plan, they cannot rely on assistance from the new plan for the remainder of the year. While copay accumulators may offer short-term cost-savings for payers, these programs ultimately prove more costly and harm patients in the long run.

AB 2180 mandates that all health plans and pharmacy benefit managers count copay assistance towards the individual's deductible and annual cost-sharing requirements. By doing so, AB 2180 ensures that patients, and those with complex, rare, and chronic conditions, can continue to access essential medications and adhere to their prescribed treatment plans without unnecessary financial strain.

Similar bipartisan reforms addressing copay accumulators have already been successfully enacted in 20 states, as well as in the District of Columbia and Puerto Rico. Aimed Alliance



strongly urges the California legislature to join these efforts and protect patients from these unjust practices by passing AB 2180 and ensure that all copay assistance counts.

Sincerely,
Ashira Vantrees
Counsel