

April 28, 2023

Joint Committee on Financial Services  
24 Beacon Street, Room 520  
Boston, MA 02133

Dear Chairmen Feeney and Murphy,

We, the undersigned patient advocacy organizations, and medical societies, have come together to issue strong support for S.609 and H.953 which would prohibit copay accumulator programs in Massachusetts. Since 2018, an increasing number of health plans and pharmacy benefit managers have begun implementing policies often referred to as “copay accumulator programs” to prevent third-party financial assistance from counting toward a patient’s out of pocket obligation, essentially negating any benefit to the patient. This unfair design can be especially challenging for patients who have health insurance plans with high deductibles or high copayment requirements. These practices are detrimental, financially, and to the well-being of the patients we serve.

Despite the strides the state has made in expanding coverage, the high out-of-pocket costs placed on patients by insurers can act as a serious barrier to accessing much-needed medicines.

Third-party payments, financial assistance, discounts, vouchers, and other price reduction instruments have helped increase access and adherence<sup>1</sup> by reducing the financial burden for many who require these life-saving medications.

Copay accumulator programs make it even more challenging for patients to afford their medication. Patients with chronic and complex conditions face many barriers to their care, including increasing healthcare costs as well as confusing and inconsistent formularies. Coupled with complex approval processes, these barriers can prohibit patients’ access to the treatments they need. Further, co-insurance for prescription drugs can be as high as 40% in some health plans and many high-cost medications have no generic equivalent available.

Any 3<sup>rd</sup> party copay assistance (provided by pharmaceutical manufacturers, nonprofit organizations, foundations, family, etc.) provides a financial lifeline for many people. Until recently, insurers applied the total cost of a patient’s prescription - what the copay assistance covered and what the patient paid out of pocket - to the patient’s insurance deductible. Now, copay accumulators unfairly allow the insurance company to double dip and get paid twice - once from the copay assistance and then again by patients’ deductibles. S.609 and H.953 would put an end to this insurer double dipping and ensure patients get the full benefit of co-pay assistance and have it count towards their deductible.

The Massachusetts Health Policy Commission’s Prescription Drug Coupon Study<sup>2</sup> in 2020 found that:

- On average, copay assistance lowered patients’ out-of-pocket cost on average by \$55/prescription;
- Copay assistance helped those with worse insurance plans, lowering out-of-pocket spending by 44% among patients who were required to pay the most by their insurance company; and
- Accumulator policies shift drug costs to patients when health plans and PBMs prevent a patient’s copay assistance amount from counting toward their deductible and maximum out-of-pocket cap.

Patients already face a significant physical, financial, emotional, and administrative burden in navigating a complex health care system that is becoming more and more unpredictable. Yet, insurers have raised deductibles, increased use of coinsurance, and added new prescription drug formulary tiers. In 2021, the average deductible for the most popular level of health plans that offer midrange coverage is \$4,879, nearly double the average deductible of \$2,556 in 2015.<sup>3</sup>

The need for this legislation has only been exacerbated during the COVID-19 pandemic, with inflation and rising costs, an underinsured population, and many Bay Staters facing financial uncertainty. **To date, 17 states (Arizona, Arkansas, Connecticut, Delaware, Georgia, Illinois, Kentucky, Louisiana, Maine, New York, North Carolina, Oklahoma, Tennessee, Virginia, Washington, West Virginia, and New Mexico) as well as Puerto Rico have already stopped this discriminatory practice by passing legislation that bans accumulator policies.**

We urge the Committee to support S.609 and H.953 and advance this important legislation this session. Thank you for your consideration. For more information, please contact Richard Pezzillo, Executive Director, New England Hemophilia Association at 781-326-7645 or [rpezzillo@newenglandhemophilia.org](mailto:rpezzillo@newenglandhemophilia.org).

1, 2 [Commonwealth of Massachusetts Health Policy Commission: Prescription Drug Coupon Study](#) July 2020.  
3 Katie Keith, [“Premiums Drop Slightly as 2021 Open Enrollment Period Draws Near,”](#) Health Affairs Blog, October 23, 2020. Caroline F. Pearson, Elizabeth Carpenter, and Chris Sloan. [Plans with More Restrictive Networks Comprise 73% of Exchange Market](#) (Avalere, November 20, 2017).

Respectfully Submitted,

Alliance for Patient Access  
ALS Association  
American Diabetes Association  
American Cancer Society Cancer Action Network  
American College of Gastroenterology  
American College of Rheumatology  
Asthma and Allergy Foundation of America, New England Chapter  
Association for Clinical Oncology  
Amyloidosis Foundation  
Arthritis Foundation  
Autoimmune Association  
CancerCare.  
Coalition of State Rheumatology Organizations  
Closing the Gap Foundation  
Crohn's & Colitis Foundation  
Epilepsy Foundation New England  
EveryLife Foundation for Rare Diseases  
Family Reach  
Fenway Health  
Gaucher Community Alliance  
Global Healthy Living Foundation  
Headache and Migraine Policy Forum  
HeartBrothers Foundation  
Heart, Faith & Strength  
Hemophilia Federation of America  
HIV & Hepatitis Policy Institute  
Infusion Access Foundation (IAF)  
International Foundation for AiArthritis  
Lupus and Allied Diseases Association, Inc.  
Massachusetts Academy of Dermatology  
Massachusetts Association for Mental Health, Inc.  
Massachusetts Gastroenterology Association

Massachusetts Independent Pharmacists Association  
Massachusetts Medical Society  
Massachusetts Pain Initiative  
Massachusetts Pharmacists Association  
Massachusetts Society of Clinical Oncologists  
Meghan's Light  
Movement Disorder Policy Coalition  
Multiple Sclerosis Association of America  
National Alliance on Mental Illness, Massachusetts  
National Eczema Association  
National Hemophilia Foundation  
National Infusion Center Association (NICA)  
National Multiple Sclerosis Society  
National Psoriasis Foundation (NPF)  
Neurofibromatosis Northeast  
New England Bleeding Disorders Advocacy Coalition  
New England Hemophilia Association  
Patients Rising  
Patients Rising Now  
Rare New England  
Susan G. Komen  
U.S. Pain Foundation

CC: All members of the Joint Committee of Financial Services