

April 6, 2022

Honorable Representative Tina Liebling
Chair, House Health Finance and Policy Committee
Minnesota State Capitol
St. Paul, MN

RE: HF 4706

Dear Chair Tina Liebling,

On behalf of the more than 907,000 people living in Minnesota with doctor-diagnosed arthritis, the Arthritis Foundation, alongside many within the patient and provider community, writes in disappointment that the accumulator adjustment program language within House File 3611, introduced by Representative Moran, was not included in the omnibus bill, House File 4706. We hope to continue to work with you, the committee, and the entire legislature to ensure that all copays count in Minnesota.

Accumulator adjustment programs prevent any co-payment assistance that may be available for high-cost specialty drugs from counting towards a patient's deductible or maximum out-of-pocket expenses. Many manufacturers offer co-pay cards that help cover a patient's portion of drug costs. Traditionally, pharmacy benefit managers have allowed these co-payment card payments to count toward the deductible required by a patient's health insurance plan. With an accumulator adjustment program, patients are still allowed to apply the co-payment card benefits to pay for their medications up to the full limit of the cards, but when that limit is met, the patient is required to pay their full deductible before cost-sharing protections kick-in.

As you may recall, the language in HF 3611 would ensure that health insurers count co-payment assistance towards a patient's cost-sharing requirements. House File 3611 passed out of the House Commerce and Policy Committee earlier this year. Similar legislation has been enacted in 13 states (Arizona, Arkansas, Connecticut, Georgia, Illinois, Kentucky, Louisiana, North Carolina, Oklahoma, Tennessee, Virginia, Washington, and West Virginia) and Puerto Rico. Introduction of similar bills has taken place in more than 30 states and a federal bill, H.R. 5801, has been introduced to resolve this issue for ERISA plans. This activity has also led to endorsement of model legislation around this issue by the National Council of Insurance Legislations (NCOIL).

Legislation is necessary on this issue as patients are often unaware they are enrolled in one of these programs until they go to the pharmacy counter and realize they must pay the full cost of their medication, which can lead them to abandon or delay their prescription. These programs can be called different names, are often marketed as a positive benefit, and are often disclosed many pages into plan materials, leading to a lack of awareness about them to patients. In addition, accumulator adjustment programs are becoming increasingly added to health insurance contracts. In a recent survey of employers, nearly 30% implemented a CAAP for 2019 and 21% were contemplating one for 2020 or 2021. In another recent employer survey, 54% of respondents

did not credit third-party co-pay assistance toward patient deductibles. ¹ In an Arthritis Foundation survey of more than 600 patients, 39 percent of patients on an employed sponsored health plan used a drug manufacturer co-pay card to help pay for their arthritis medications. Among these individuals, 59 percent reported that they can use it to pay for their deductibles, 27 percent reported they can't use it for their deductible, and 14 percent reported that they don't know.

The language within HF 3611 would resolve this issue by simply ensuring that when calculating a patient's overall contribution to any out-of-pocket maximum or any cost-sharing requirement, a health plan must include any amounts paid by the patient or paid on behalf of the patient by another person.

For this reason, the Arthritis Foundation hopes to work alongside this committee moving forward to advance legislation that would ensure that assistance counts towards a patient's cost-sharing and encourages the Minnesota State Legislature to pass this legislation to protect patients.

Sincerely,



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CC: Members, House Health Finance and Policy Committee

¹ American Journal of Managed Care, Impact of a Co-pay Accumulator Adjustment Program on Specialty Drug Adherence