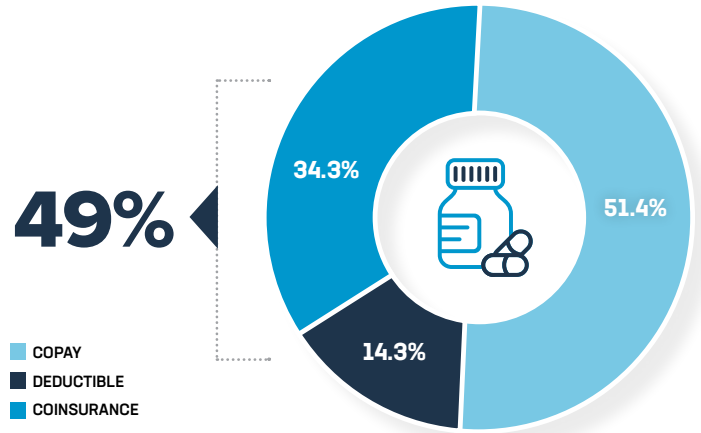


Making Coupons Count for Patients at the Pharmacy Counter

Too many patients face high out-of-pocket costs for brand medicines, even when they have insurance.

Insurer-imposed barriers, like coinsurance and high deductibles, shift the cost of life-saving care onto patients.

Half of commercially insured patients' out-of-pocket spending for brand medicines is based on the full list price, which may be a higher price than what their insurer paid for the brand medicine.



Manufacturers and others have stepped forward to assist patients with programs like cost-sharing assistance, or copay coupons.

This patient assistance helps address the inadequate coverage insurers provide.

MANUFACTURING COST-SHARING ASSISTANCE EXAMPLE

PLAN NEGOTIATED RATE WITH INSURER: \$1,000

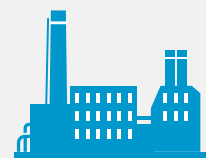
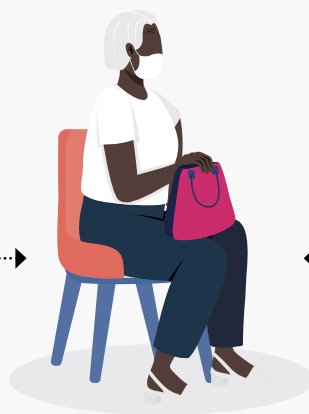


INSURER

1.

Insurer sets patient out-of-pocket costs at \$1,000

PATIENT



MANUFACTURER

2.

Manufacturer provides patient with a copay coupon

3.

Patient pays \$5 for medicine instead of \$1,000

Unfortunately, insurers and middlemen known as pharmacy benefit managers (PBMs) are adopting practices that put barriers between patients and the assistance they need by barring patient assistance from counting toward deductibles and out-of-pocket maximums.

Accumulator Adjustment Programs:

Makes it more likely that patients will face higher costs and abandon a prescription at the pharmacy.

Patient A



OCT	NOV	DEC	JAN	FEB	MAR
\$5	\$5	\$5	\$5	\$5	\$5

Facing consistent costs, Patient A does not face unexpected costs known as a copay surprise

Patient B



OCT	NOV	DEC	JAN	FEB	MAR
\$5	\$5	\$5	\$5	\$5	\$1,000

Patient B sees a copay surprise - a cost increase not tied to an annual plan reset - that is likely due to an accumulator adjuster exhausting the copay card cap

Additionally, insurers and PBMs are using other approaches called copay maximizer programs to undermine the intent of patient assistance.

Copay Maximizer Programs:

Create and apply separate prescription drug coverage requirements for patients needing certain medicines and boost the profits of middlemen at the expense of patients.

Copay Maximizer Programs:

Maximizer programs often are sold to health plans by third-party entities affiliated with PBMs. They do two things:

1. Target and designate specific medicines with available manufacturer cost-sharing assistance as “non-essential health benefits” so that the Affordable Care Act’s cost-sharing limitations do not apply
2. Increase individual patient cost-sharing obligations to match, and therefore exhaust, the full value of the manufacturer-provided cost-sharing assistance available for those medicines

The patients who need the medicines targeted by these programs are threatened with higher out-of-pocket costs unless they enroll in the applicable manufacturer cost-sharing assistance program to access the drug. That’s not fair to patients.

Policymakers should tell insurers and PBMs to lower out-of-pocket costs by making coupons count and close policy loopholes related to coverage that allow copay maximizer programs to flourish.