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## The Problem

In the commercial health insurance market, some patients are being forced to pay more out-of-pocket for their medicines due to an increase in hidden tactics that limit patient assistance such as, “Accumulator Adjustment Programs (AAP)”, the Alternative Funding Program (AFP) and the Copay Maximizer Program (CMP).

### What is an Accumulator Adjustment Program (AAP)?

- AAPs are a type of scheme that health insurers and PBMs use to prevent manufacturer cost-sharing assistance from counting toward a patient's deductible or annual maximum out-of-pocket (MOOP) costs.
- This may result in a copay surprise in the middle of the year once the cost-sharing assistance is exhausted because patients have not made the progress they expected toward fulfilling their deductible or MOOP obligations.

### What is a copay maximizer program?

- A copay maximizer program targets and designates specific medicines with available manufacturer cost-sharing assistance as non-EHB so that the ACA's cost-sharing limitations do not apply.
- PBMs, health insurers, or third-party vendors then increase individual patient cost-sharing obligations to match the amount of the manufacturer cost-sharing assistance, and therefore exhaust, the full value of the assistance available for those medicines without counting the amount of the assistance towards the patient's deductible or maximum out-of-pocket costs.

### What is an Alternative Funding Program (AFP)?

- AFPs are a type of cherry-picking strategy to avoid individuals with higher health risks, i.e., individuals with preexisting conditions, and shift coverage onto resources intended for disadvantaged populations.
- AFPs completely eliminate coverage for certain or all specialty medicines so that patients appear to be uninsured when applying for manufacturer and charitable foundation patient assistance programs for those medicines.
- The patient must enroll in the third-party vendor's program or pay 100% of the cost of their medicines.

## The Solution - Make All Copays Count

South Carolina should enact H.3576 and S.100 to protect patients who rely on third-party cost-sharing assistance by ensuring that all payments – made by the patient or on behalf of the patient – count towards the patient's deductible and out-of-pocket maximum. To date, twenty-one states, the Territory of Puerto Rico, and the District of Columbia, including neighboring Tennessee, Kentucky, Georgia, North Carolina, West Virginia, and Virginia, have passed some type of legislation to address this issue.

Patient advocacy groups are calling on South Carolina Legislators to enact H.3576 and S.100 to protect patients, bipartisan legislation to address rising out-of-pocket costs from an emerging insurance practice that limits patient assistance. To help patients better access their medicine and stay adherent, many third-party entities, including pharmaceutical manufacturers, offer cost-sharing assistance. Historically, commercial health insurance plans counted this assistance towards a patient's deductible and maximum out-of-pocket, providing relief from high-cost sharing and making it easier for patients to get their medicines. These assistance programs are critical for patients with complex chronic conditions.

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## The following patient advocacy groups have committed to advocate on behalf of H.3576 and S.100

- AHUS Action Network
- Aimed Alliance
- ALS Association
- American Cancer Society Cancer Action Network
- American Diabetes Association
- Association for Clinical Oncology (ASCO)
- Arthritis Foundation
- Bleeding Disorders Association of South Carolina
- Coalition of State Rheumatology Organizations
- Community Oncology Alliance (COA)
- Everylife Foundation for Rare Diseases
- Gaucher Community Alliance
- Hemophilia Federation of America
- International Foundation for AiArthritis
- James R. Clark Memorial Sickle Cell Foundation
- LD Barksdale
- Lupus & Allied Diseases Association, Inc.
- Multiple Sclerosis Association of America
- National Alliance on Mental Illness - SC Chapter
- National Bleeding Disorders Foundation
- National Eczema Association
- National Multiple Sclerosis Society
- National Psoriasis Foundation
- Orangeburg Area Sickle Cell Anemia Foundation, Inc.
- SC Oncology Society (SCOC)
- South Carolina Advocates for Epilepsy
- Spondylitis Association of America
- wAIHA Warriors

Unfortunately, most of South Carolina Marketplace Plans and PBMs have adopted Polices, often referred to as "accumulator adjustment programs" that block assistance from counting towards a patient's deductible and maximum out-of-pocket limits.



## SC House Bill 3576 and SC Senate Bill 100

Patient advocacy groups are calling on South Carolina Legislators to support bipartisan legislation to address rising out-of-pocket costs from an emerging insurance practice called "accumulator adjustment programs (AAP)" Drug manufacturers, health foundations, charities, and nonprofit organizations help patients with assistance programs that cover additional cost patients are required to pay. These programs are critical for patients with chronic, complex conditions.