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The Honorable Nellie Pou
The Honorable Joseph Cryan
Senate Commerce Committee
Committee Room 6, First Floor
State House Annex Trenton, NJ

Re: Support S.3818 – Inclusion of copayments, coinsurance, deductibles, or other out-of-pocket costs

Dear Chair Pou, Vice Chair Cryan, and members of the Senate Commerce Committee:

The Coalition of State Rheumatology Organizations (CSRO) supports S.3818, which would require third-party discounts and payments for individuals covered by health benefits plans to apply to copayments, coinsurance, deductibles, or other out-of-pocket costs for covered benefits. CSRO serves the practicing rheumatologist and is comprised of over 40 state rheumatology societies nationwide with a mission of advocating for excellence in the field of rheumatology and ensuring access to the highest quality of care for the management of rheumatologic and musculoskeletal disease.

Rheumatologic disease is systemic and incurable, but innovations in medicine over the last several decades have enabled rheumatologists to better manage these conditions. With access to the right treatment early in the disease, patients can generally delay or even avoid damage to their bones and joints, as well as reduce reliance on pain medications and other ancillary services, thus improving their quality of life.

This legislation would reform the use of accumulator adjustment programs and prevent double dipping by health insurers, avoiding serious health consequences for patients.

Rheumatologists are entrusted with the safe care of patients with rheumatoid arthritis and other autoimmune diseases that require the careful choice of safe and effective pharmaceutical and biological therapies. In many cases, this entails prescribing life changing, albeit expensive, drug therapies. Rheumatologists are very concerned with the financial impact that these therapies have on patients. Indeed, the increasingly untenable financial burden borne by patients with musculoskeletal illnesses, particularly those with autoimmune conditions, has had undeniable consequences for therapy adherence and ultimate patient outcomes.

EXECUTIVE OFFICE

Leslie Del Ponte
Executive Director

Patients utilizing specialty drugs have likely already tried and failed all the available lower cost alternatives, but the drug they need may still be out of reach. This is because their co-insurance can at times be more than \$1,000 a month. Consequently, many patients would go without treatment if they did not have access to patient assistance though co-pay cards. Many patients who require these co-pay cards for their specialty medicines often have chronic diseases with multiple co-morbidities and medications. As a result, they cannot afford high premiums and are forced into policies with high deductibles that can be thousands of dollars.

Until recently, co-pay assistance counted towards a patient's deductible, and the health plan would collect the value of the deductible regardless of who paid. However, several years ago, insurers and pharmacy benefit managers began using alternative cost-sharing structures known as "accumulator adjustment programs." These programs prevent the value of co-pay assistance from being applied towards a patient's deductible as an out-of-pocket expense. Under these programs, **insurers pocket the value of the co-pay card in addition to demanding the full deductible value from the patient.** This is despite the fact that patients utilizing these drugs already pay co-insurance based on the list price of the drug rather than the discounted price the PBM or health plan receives.

Due to the increased prevalence of high deductible health plans and the inherent costliness of the drugs used to treat complex chronic conditions, most patients will not be able to afford their medication once the co-pay card benefit is exhausted. Patients are then forced to start paying off their deductible. This is despite the fact that the plan had already reached the deductible amount or more through their use of the co-pay card.

Accumulator adjustment programs often cause stable patients to discontinue their treatments, causing irreversible disease progression, flares, loss of effectiveness of their original therapy, and other adverse effects. Managing these results from non-adherence requires the use of substantially more resources than allowing for continuity of care from the beginning.

Stabilizing a patient's inflammatory condition, such as rheumatoid arthritis and lupus, is a process that can take months or even years of trial and error, based on disease complexity, the patient's unique medical history, and the clinical characteristics of the drugs being used. Rheumatologists do not prescribe expensive medications idly. Expensive medications are prescribed because they are medically necessary.

The use of accumulator programs by health plans and PBMs has been instituted without regard to the fact that most patients have no other choice than to use an expensive medicine for chronic diseases that impact every part of their lives. Indeed, it is patients with chronic diseases requiring lifelong treatments, often already experiencing disparity in health care, that are affected most by this unfair and discriminatory practice.

According to research done by IQVIA, co-pay card use for branded drugs that have lost exclusivity or have generic equivalents, "... represents a sliver of the total commercial market, making up only 0.4% of volume across all products." And only 3.4% of the total commercial volume has prescriptions that use co-pay cards.¹

We appreciate your consideration and request that you support S.3818, which prevents insurers from discriminatorily punishing patients with complex chronic conditions when they use accumulator programs to collect multiple deductibles from the assistance programs and the patients themselves. We thank you for your consideration and are happy to further detail our comments to the Committee upon request.

Respectfully,



Gary Feldman, MD, FACR
President
Board of Directors



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Board of Directors

¹AN EVALUATION OF CO-PAY CARD UTILIZATION IN BRANDS AFTER GENERIC COMPETITOR LAUNCH, IQVIA, https://www.iqvia.com/-/media/iqvia/pdfs/us/us-location-site/market-access/fact-sheet-evaluation-of-copay-card-utilization-post-loe.pdf?&_id=1620140157792