PROTECT TENNESSEE PATIENTS FROM ALTERNATIVE FUNDING PROGRAMS

New health insurance and PBM loophole threatens patient access to prescription medications

Alternative Funding Programs (AFPs), run by third party vendors and some small PBMs, exploit patient assistance programs (PAPs) and non-profit foundations while leaving patients on the hook for huge out-of-pocket costs even when they have health insurance

What are Alternative Funding Programs (AFPs)?

AFPs are third-party vendors that partner with employer-sponsored health plans to offer "alternative" coverage for the plan participants' specialty drugs. The reality is, these deceptive programs offload insurance company responsibility by toying with patient coverage for the sake of corporate profits.

»» HOW IT WORKS

Health plans lure employers into utilizing third party vendors, known as AFPs, with the appeal of reducing employer health costs. AFP vendors work with the health plan to remove coverage for all or most specialty medications on the formulary. This allows the AFP to manage those medications. Patients prescribed specialty medications are "encouraged" to enroll in the AFP for those prescription drugs. If they decline to enroll, the patient is responsible for paying 100% of that medication out-of-pocket.

For patients who enroll, the AFP determines where they can receive their specialty medicine, including through a manufacturer patient assistance program (PAP), a non-profit charitable assistance program, or an international pharmacy. This can be a lengthy process and often delays care as the AFP works to secure discounts and funding to cover the medication. Any funding received does not go toward the patient's overall annual out-of-pocket maximums or deductible, and they may be forced to re-apply for assistance every time they need their prescription filled.

If the AFP cannot secure outside funding, the patient may have to appeal to their health plan for an exception or could be required to pay 100% of the cost of their medicine.

»» THE PROBLEM: AFPS PUT PROFITS FIRST & PATIENTS LAST

Unfortunately, AFPs end up hurting patients as they manipulate the formulary to exclude specialty medications from coverage, have limited pharmacy and provider networks, and lead to increased out-of-pocket costs for the patients.

- **Use Deceptive Insurance Models:** AFPs may falsely mischaracterize patients as uninsured or underinsured to remove insurance company responsibility and take advantage of patient assistance programs and non-profit assistance.
- **Increase Patient Out-Of-Pocket Costs:** Any funding secured by the AFP does not count towards the patient's deductible, making it more difficult for patients to reach the threshold when their insurance covers most expenses. This makes healthcare less affordable and impacts patient adherence.
- **Delay or Disrupt Treatment:** AFPs can be an added barrier to care and can delay or disrupt treatment for weeks or months. Delaying care for chronically ill patients can cause irreversible complications and even admissions to the hospital, driving up health care costs.
- **Boost Profits of Health Insurers & PBMs:** AFPs are another way for health plans and PBMs to deflect their responsibility and boost their profits at the expense of patients in need. At times, they even deplete funds created to support low-income, uninsured patients – leaving our most vulnerable patients with ever fewer options.

»» THE SOLUTION

Tennesseans lose comprehensive coverage for their lifesaving medications when an AFP is forced upon them. Pass SB 420/ HB 870 to stop AFP vendors from toying with patient coverage for the sake of profits.

IT'S TIME TO END AFPs IN TENNESSEE!

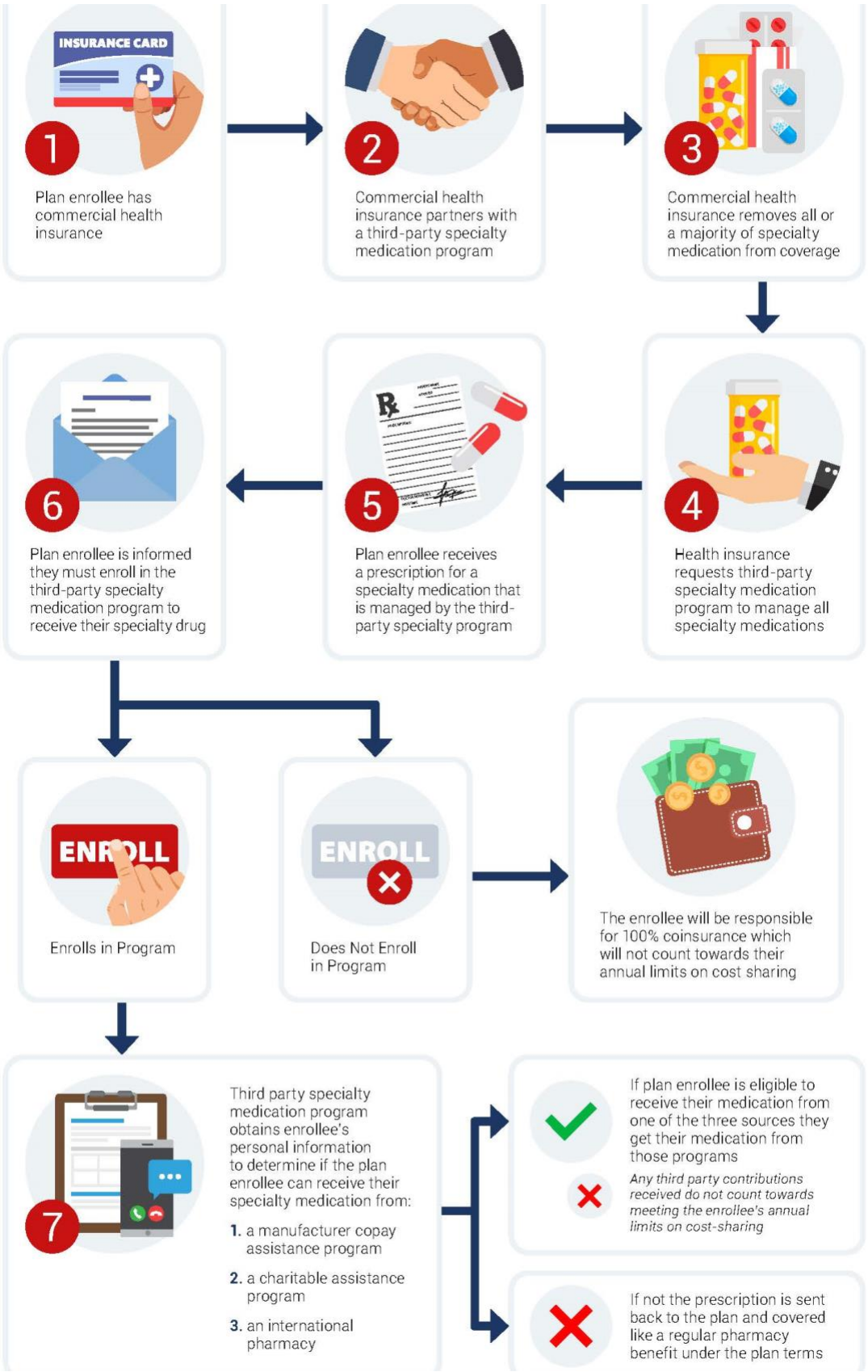
TENNESSEE HEMOPHILIA & Bleeding Disorders Foundation

NATIONAL PSORIASIS FOUNDATION

CSRO Coalition of State Rheumatology Organizations

All examples of AFP business practices were derived from personal patient experiences

How Alternative Funding Programs Work



Courtesy of the Aimed Alliance