

January 27, 2022

Senator Brendan Crighton, Chair
Representative James Murphy, Chair

Joint Committee on Financial Services
24 Beacon Street | Room 520
Boston, MA 02133

Dear Chairpersons, Crighton and Murphy,

Thank you for holding a hearing last September on S.644 and H.1053, which would ban practice of co-pay accumulator programs in Massachusetts. We, the undersigned, want to again express our support for these critical patient access bills and ask that you vote them out of committee before the deadline of February 2.

As we stated in our letter of support submitted prior to the September hearing, many insurers and PBMs are now utilizing accumulator programs to stop copay assistance from counting towards a patient's deductible and maximum out of pocket spending. These practices are creating significant financial and health issues for the patients we serve and have only been exacerbated by the pandemic.

The copay assistance provided by manufacturers and nonprofit organizations provide a financial lifeline for many people. Until recently, insurers applied the total cost of a patient's prescription - what the copay assistance covered and what the patient paid out of pocket - to the patient's insurance deductible. Sadly, and unfairly, copay accumulators will now allow the insurance company to double dip and get paid twice - once from the copay assistance and then again by patients' deductibles. S. 644 and H.1053 would put an end to this insurer double dipping and ensure patients get the full benefit of co-pay assistance programs.

As you are also aware this practice was also called out by the Health Policy Commission in their July 2020 report on copay assistance. The HPC concluded that **copay accumulators shift costs from the payer to the patient.**

Patients already face a significant physical, financial, emotional, and administrative burden in navigating a complex health care system that is becoming more and more unpredictable. Yet, insurers have raised deductibles, out of pocket costs, increased the use of coinsurance, and added new drug formulary tiers, which is among the many utilization management tools patients must navigate. The average deductible for the most popular level of health plans that offer midrange coverage is \$4,879, nearly double the average deductible of \$2,556 in 2015.¹

We urge you to pass this legislation favorably out of your committee to prevent harmful and unfair copay accumulator policies, which is an emerging change in insurance health plans. To date 12 states have already stopped this discriminatory practice by passing legislation that bans

accumulator policies — Arkansas, Arizona, Connecticut, Georgia, Illinois, Kentucky, Louisiana, North Carolina, Oklahoma, Tennessee, Virginia, West Virginia, and Puerto Rico.

Thank you for your leadership and we stand ready to work with you to find solutions that protect our patients across the Commonwealth and continue to make Massachusetts a leader in healthcare.

¹ Katie Keith, "Premiums Drop Slightly as 2021 Open Enrollment Period Draws Near," Health Affairs Blog, October 23, 2020. <https://www.healthaffairs.org/doi/10.1377/hblog20201023.33540/full/#:~:text=At%20the%20same%20time%2C%20deductibles,rose%20from%20%241%2C432%20to%20%241%2C533>; Caroline F. Pearson, Elizabeth Carpenter, and Chris Sloan. Plans with More Restrictive Networks Comprise 73% of Exchange Market (Avalere, November 20, 2017). <https://avalere.com/press-releases/plans-with-more-restrictive-networks-comprise-73-of-exchange-market>;

Respectfully Submitted,

Alliance for Patient Access
ALS Association, Massachusetts Chapter
American College of Gastroenterology
American College of Rheumatology
Arthritis Foundation
American Gastroenterological Association
Asthma and Allergy Foundation of America
Association for Clinical Oncology
Center for Health Law and Policy Innovation at Harvard Law School
Coalition of State Rheumatology Organizations
Crohn's & Colitis Foundation
Epilepsy Foundation New England
Fenway Health
Global Healthy Living Foundation
The HeartBrothers Foundation
Heart, Faith & Strength
Hemophilia Federation of America
Infusion Access Foundation
Immune Deficiency Foundation
Institute for Pediatric Innovation
Lupus and Allied Diseases Association, Inc.
Massachusetts Academy of Dermatology
Massachusetts Association for Mental Health, Inc.
Massachusetts Gastroenterology Association
Massachusetts Independent Pharmacists Association
Massachusetts Pain Initiative
Massachusetts Society of Clinical Oncologists
Multiple Sclerosis Association of America
National Eczema Association
National Hemophilia Foundation

New England Chapter Amyloidosis Foundation
National Infusion Center Association (NICA)
National Multiple Sclerosis Society
National Oncology State Network
National Organization of Rheumatology Management
Neurofibromatosis Northeast
New England Bleeding Disorders Advocacy Coalition
New England Hemophilia Association
Patients Rising
Patients Rising Now
Rare New England
Susan G. Komen
U.S. Pain Foundation

CC: Members of the Joint Committee on Financial Services Committee