

ACS CAN Supports Making All Copays Count in New Jersey

Many cancer patients have difficulty affording the cost of their prescription drugs, regardless of whether they are insured.

This is especially true for newer drugs – including cancer drugs – that do not yet have a generic equivalent. Many manufacturers and some charitable organizations offer programs to help consumers afford their cost-sharing (usually in the form of copay assistance). Copay accumulator adjustment policies and other copay assistance diversion policies allow insurers and pharmacy benefit managers (PBMs) to collect copayments on an enrollee's behalf without counting those payments toward the enrollee's annual deductible or out-of-pocket maximum. These policies undermine access to lifesaving prescription drugs for people living with serious, complex, chronic illnesses.

Background

Copay assistance programs are offered by pharmaceutical manufacturers and charitable organizations to help offset out-of-pocket costs for prescription drugs. While not available to all individuals (for example, the Medicare program does not allow beneficiaries to use copay assistance), these programs often help individuals better afford the cost sharing associated with high-cost drugs – particularly until the individual meets his/her maximum out-of-pocket (MOOP) limit and the plan begins paying 100 percent of the costs.

Copay accumulator adjustment programs allow the enrollee to use copay assistance, but the amount of the support does not count toward the individual's MOOP. Only the funds spent directly by the beneficiary (and not on their behalf) would count toward the beneficiary's MOOP.

Copay accumulator adjustment policies are harmful to patients.

Prescription drug costs are a challenge for nearly one-third of cancer patients and survivors, with one in five individuals skipping or delaying taking prescribed medications due to costs. The negative impacts of not being able to benefit from a copay assistance program are even greater among some patient populations, with many Black, Hispanic, and Asian cancer patients and survivors reporting they have declined treatment due to cost after finding they were unable to enroll in a copay assistance program.


A May 2022 survey conducted by the American Cancer Society Cancer Action Network (ACS CAN) found that over a quarter of those who enrolled in patient assistance programs reported that the assistance they received was not applied to their deductible or other out-of-pocket cost requirements, and another 22% were unsure. Most people enrolled in copay assistance programs agree that this assistance provides access to medication that they otherwise could not afford.

Health insurance companies will assert that restricting accumulator and maximizer programs will cause higher health insurance premiums for everyone, but that claim is false. In a report released by the Global Healthy Living Foundation, there is no statistically significant change to premiums, nor is the rate of health insurance premiums rising in states with protective, patient-centered legislation to prohibit copay accumulator adjustment policies.

Legislative Action to Protect New Jerseyans from Harmful Practices

New Jersey legislators can further protect New Jerseyans with chronic illness by joining 21 other states, Washington D.C., and Puerto Rico and enacting legislation to protect residents from these harmful practices by insurance companies and PBMs. Such legislation would ensure that New Jerseyans with state-regulated insurance plans are protected.

ACS CAN urges New Jersey legislators to pass copay accumulator legislation (S3818/A5217), which would improve access to prescription drugs by ensuring copay assistance is counted toward patient out-of-pocket cost obligations.



For more information, contact Quinton Law, New Jersey Government Relations Director ACS CAN
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ACS CAN is making cancer a top priority for public officials and candidates at the federal, state, and local levels. ACS CAN empowers advocates across the country to make their voices heard and influence evidence-based public policy change as well as legislative and regulatory solutions that will reduce the cancer burden. As the American Cancer Society's nonprofit, nonpartisan advocacy affiliate, ACS CAN is critical to the fight for a world without cancer. For more information, please visit www.fightcancer.org.

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