

March 24, 2022

Honorable Representative Zach Stephenson  
Chair, House Commerce Finance and Policy Committee  
Minnesota State Capitol  
St. Paul, MN

**RE: HF 3611 - Support**

Dear Chair Zach Stephenson,

On behalf of the more than 907,000 people living in Minnesota with doctor-diagnosed arthritis, the Arthritis Foundation urges reform regarding accumulator adjustment programs. Accumulator adjustment programs prevent any co-payment assistance that may be available for high cost specialty drugs from counting towards a patient's deductible or maximum out-of-pocket expenses. Many pharmaceutical manufacturers offer co-pay cards that help cover a patient's portion of drug costs. Traditionally, pharmacy benefit managers have allowed these co-payment card payments to count toward the deductible required by a patient's health insurance plan. With an accumulator adjustment program, patients are still allowed to apply the co-payment card benefits to pay for their medications up to the full limit of the cards, but when that limit is met, the patient is required to pay their full deductible before cost-sharing protections kick in.

Currently, the state of Minnesota does not have a law to ensure that health insurers count co-payment assistance towards a patient's cost-sharing requirements. However, the Arthritis Foundation is appreciative of the introduction of HF 3611, alongside companion SF 2136, to protect patients against accumulator adjustment programs.

Legislation is necessary on this issue as patients are often unaware they are enrolled in one of these programs until they go to the pharmacy counter and realize they must pay the full cost of their medication, which can lead them to abandon or delay their prescription. These programs can be called different names, are often marketed as a positive benefit, and are often disclosed many pages into plan materials, leading to a lack of awareness about them to patients. In addition, accumulator adjustment programs are becoming increasingly added to health insurance contracts. In a recent survey of employers, nearly 30% implemented a CAAP for 2019 and 21% were contemplating one for 2020 or 2021. In another recent employer survey, 54% of respondents did not credit third-party co-pay assistance toward patient deductibles.<sup>1</sup> In an Arthritis Foundation survey of more than 600 patients, 39 percent of patients on an employer sponsored health plan used a drug manufacturer co-pay card to help pay for their arthritis medications. Among these individuals, 59 percent reported that they can use it to pay for their deductibles, 27 percent reported they can't use it for their deductible, and 14 percent reported that they don't know.

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<sup>1</sup> American Journal of Managed Care, Impact of a Co-pay Accumulator Adjustment Program on Specialty Drug Adherence

This legislation resolves this issue by simply ensuring that when calculating a patient's overall contribution to any out-of-pocket maximum or any cost-sharing requirement, a health plan must include any amounts paid by the patient or paid on behalf of the patient by another person.

For this reason, the Arthritis Foundation supports HF 3611, which ensures that assistance counts towards a patient's cost-sharing, and encourages the Minnesota State Legislature to pass this legislation to protect patients.

Sincerely,



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Arthritis Foundation  
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CC: Members, House Commerce Finance and Policy Committee

