

March 23, 2022

Representative Zack Stephenson
Chairman, Minnesota House Commerce & Finance Committee
Rev. Dr. Martin Luther King Jr. Blvd.
St Paul, MN 55155

Re: Please support HF3611 (Rep. Moran) and SF2136 (Sen. Kunes)

Dear Chairman Stephenson and Minnesota House Commerce & Finance Committee Members:

On behalf of the Lupus and Allied Diseases Association and the millions of Minnesota residents both directly and indirectly affected by diseases of unmet need, I submit this letter expressing our strong support for HF3611 (Rep. Moran) and SF2136 (Sen. Kunes), An act relative to consumer deductibles relating to health insurance cost sharing; requiring that when calculating an enrollee's contribution to any applicable cost sharing requirement, an insurer shall include any cost sharing amounts paid by the enrollee or on behalf of the enrollee by another person. Any cost sharing or reductions made for an enrollee's benefit or towards an enrollee's applicable cost sharing requirement shall be applied in full at the time it is rendered and wholly towards the enrollee's out of pocket costs, deductible, cost sharing or similar enrollee obligation and applying the Act to all health plans entered into, amended, extended, or renewed in the State on or after January 1, 2022.

As an individual who struggles daily to manage multiple autoimmune diseases, I passionately urge you and the members of the Minnesota House Commerce & Finance Committee to support this important legislation as HF3611 and SF2136 provides vital patient access and affordability at a time when our healthcare system is overburdened by the COVID-19 pandemic.

Copay accumulators are a relatively new insurance benefit design being adopted by health insurance plans that prevent patients from using copay cards or coupons to cover their out-of-pocket expenses. This cost-shifting mechanism changes the way an insured individual's out-of-pocket contributions for prescription drugs are calculated. Copay accumulators do not consider any discounts or coupons that the insured person receives from the drug manufacturer when calculating the insured's out-of-pocket expenses and therefore do not count them toward the patient's maximum out-of-pocket limit.

This practice shifts the cost towards patients as the insurance plans are essentially "double dipping" by requiring the individual to pay their normal copay while still receiving a discount or coupon from the drug manufacturer, in turn causing the individual to take longer to satisfy their deductible. This unfair design is especially challenging for individuals with high deductible or high copayment requirements in their health insurance plans.

Given the current global healthcare crisis in which Minnesota residents and others throughout the world are experiencing hardship in dealing with the COVID-19 pandemic, individuals already struggling to manage their chronic and rare medical conditions are now facing additional challenges of covering the cost of their medication and accessing appropriate healthcare. Copay coupons and cards provide financial

relief to patients through manufacturer programs created to offset the cost sharing associated with certain treatments while assisting patients in meeting their maximum out-of-pocket limits. Copay assistance programs provide patient access to life-sustaining and lifesaving medication that would otherwise be unaffordable while promoting treatment adherence.

Minnesota has a longstanding record of providing access to affordable healthcare and developing some of the strongest patient protections in the country. The proposed legislation discontinues the use of copay accumulators statewide by requiring insurance companies and pharmacy benefit managers to apply price reduction instruments for out-of-pocket expenses when calculating an insured individual's cost-sharing requirement. We urge you to make Minnesota the next state to protect its residents from insurmountable out-of-pocket costs and join the twelve other states and Puerto Rico who have passed similar legislation to ensure all copays count toward the deductible and out-of-pocket maximum.

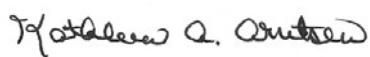
The Lupus and Allied Diseases Association was founded in 1978 and is a national non-profit organization led by people with lupus and allied diseases and their loved ones who are dedicated to ensuring that the patient perspective is included and recognized as an equal stakeholder in the healthcare, regulatory and public policy arenas and across the research continuum. It is our goal to improve access to care and quality of life by fostering collaboration among stakeholders and by wielding the patient voice as a catalyst to advance innovative advocacy, education, awareness and biomedical research initiatives that will identify causes, advance better diagnostics, and discover superior treatments, and cures.

As patient stakeholders who represent patients and loved ones dealing with serious medical conditions on a daily basis who strongly support establishing essential patient protections that improve access to vital therapies, we passionately urge your support and passage of HF3611 and SF2136 to stop this unfair practice and to help individuals afford the medication they require to remain active. The crucial need for this legislation has only been intensified during the COVID-19 pandemic as countless Minnesota families face financial uncertainty. We ask the **Minnesota House Commerce & Finance Committee and state legislature to support this legislation and stand with patients** by prohibiting copay accumulators and requiring health insurance plans to count all dollars towards an insured individual's deductible or out-of-pocket maximum.

We request that you vote YES to support this legislation and stand with patients by prohibiting copay accumulators and requiring health insurance plans to count all dollars towards an insured individual's deductible or out-of-pocket maximum. We must remain vigilant in protecting Minnesota residents while promoting unfettered access to vital life-enhancing and lifesaving treatments.

We thank you for the opportunity to provide our unique patient viewpoint and for your support of strong patient safeguards. Please contact me at 315-264-9101 or kathleen@ladainc.org if you have any questions.

Respectfully Submitted-



Kathleen A. Arntsen
President & CEO