

COPAY ACCUMULATOR PROGRAMS

Many rare disease patients rely on copay cards and other coupons from manufacturers to help pay for their prescription drugs. This assistance helps patients save up to thousands of dollars on their prescriptions each month. One of the major features of these cards is that their value (the savings) also applies to a patient's insurance deductible and coinsurance. Because of this, patients can save money on their prescription and have an easier time meeting their other insurance plan costs.

PROBLEM

Recently, several health insurers have rapidly instituted new programs, generally known as "copay accumulator programs," that prevent manufacturer copay cards from applying to a patient's health insurance deductible and coinsurance. As a result, patients who depend on copay cards must now pay considerably more money out of pocket. How does this work? The tables below show what it looks like for an individual before and after a copay accumulator program is put in place. This example is for illustrative purposes only; exactly how a copay accumulator may affect individual patients depends on several factors, such as the cost of the medication, value of the copay card, and health insurance deductible. All of these factors can and do vary from plan to plan.



Copay cards are often based on financial need and, in nearly all cases, exist to help patients pay for expensive, innovative therapies for which there are no generics on the market.

With the cost of medicine and insurance on the rise, patients need assistance now more than ever.

PARAMETERS OF THE EXAMPLES SHOWN

RX COST: \$1,500/month	INSURANCE DEDUCTIBLE: \$3,000/year	COPAY CARD VALUE: \$6,000/year	PATIENT RESPONSIBILITY: 20% of Rx Cost (after deductible is met)
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EXAMPLE 1: BEFORE AN ACCUMULATOR PROGRAM IS PUT IN PLACE

	TOTAL RX COST:	AMOUNT COVERED BY THE COPAY CARD:	GOES TOWARDS DEDUCTIBLE:	WHAT THE INSURER PAYS:	WHAT THE PATIENT MUST PAY AT THE PHARMACY:
JANUARY	\$1,500	\$1,500	\$1,500	\$0	\$0 (patient responsibility is covered by copay card)
FEBRUARY	\$1,500	\$1,500	\$1,500 (deductible now met)	\$0	\$0
MARCH	\$1,500	\$300	\$0 (insurance kicks in)	\$1,200	\$0
APRIL	\$1,500	\$300	\$0	\$1,200	\$0
MAY	\$1,500	\$300	\$0	\$1,200	\$0
JUNE	\$1,500	\$300	\$0	\$1,200	\$0
JULY-DEC <i>(same cost for each month)</i>	\$1,500	\$300	\$0	\$1,200	\$0
TOTAL	\$18,000	\$6,000	\$3,000	\$12,000	\$0

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EXAMPLE 2: AFTER AN ACCUMULATOR PROGRAM IS PUT IN PLACE

	TOTAL RX COST:	AMOUNT COVERED BY THE COPAY CARD:	GOES TOWARDS DEDUCTIBLE:	WHAT THE INSURER PAYS:	WHAT THE PATIENT MUST PAY AT THE PHARMACY:
JANUARY	\$1,500	\$1,500	\$0	\$0	\$0
FEBRUARY	\$1,500	\$1,500	\$0	\$0	\$0
MARCH	\$1,500	\$1,500	\$0	\$0	\$0
APRIL	\$1,500	\$1,500	\$0	\$0	\$0
MAY	\$1,500	\$0	\$1,500	\$0	\$1,500
JUNE	\$1,500	\$0	\$1,500 (deductible met)	\$0	\$1,500
JULY-DEC <i>(same cost for each month)</i>	\$1,500	\$0	\$0 (insurance kicks in)	\$1,200	\$300 (20% of the Rx cost)
TOTAL	\$18,000	\$6,000	\$3,000	\$7,200	\$4,800

This example is for illustrative purposes only; exactly how a copay accumulator may affect individual patients depends on several factors, such as the cost of the medication, value of the copay card, and health insurance deductible. All of these factors can and do vary from plan to plan.

SUMMARY

As you can see above, patients have to pay more money (\$4,800 each year) for the same medication when they are subject to a copay accumulator program because the value of their copay card does not apply to their insurance deductible.

WHAT CAN YOU DO?

It is unclear right now how many plans are using copay accumulator programs, but, for the time being, it appears to be limited to certain employer-based health plans. To find out more, it's best to reach out directly to your health plan about whether it is currently or will eventually start using a copay accumulator program. In addition, if you have employer-based health coverage, you should talk to your human resources department. Keep in mind that, due to the lack of transparency and awareness surrounding these programs, some patients may suddenly receive an expensive bill in the mail before even realizing that their health plan was using an accumulator program. Help us spread awareness by sharing this information.

WHAT IS NORD DOING?

NORD opposes the use of copay accumulator programs because they increase costs for patients and they do so in a way that leaves patients completely unprepared, due to a lack of effective communication. If you or someone you care for is affected by these programs, please reach out to us at policy@rarediseases.org. Personal stories help us make the case to insurers and to legislators that these programs hurt patients.

NORD has already begun working with other patient organizations to advocate against the implementation of these programs and propose new solutions to copay accumulator programs in states and to the Federal Government.

Patient cost **BEFORE** accumulator program:
\$0 (yearly cost: \$0)

Patient cost **AFTER** accumulator program is implemented:
\$3,300 (yearly cost: \$4,800)

Follow all the latest news from NORD about copay accumulators at: www.rareaction.org.