



Helping Patients Manage Out-of-Pocket Specialty Rx Costs SF 365/HF 633

Thanks to innovative new treatments, many once-fatal diseases are now managed as chronic conditions. But the costs of these breakthroughs can put them out of reach for patients.

- Patients face high cost-sharing requirements such as upfront deductibles and monthly coinsurance – sometimes costing thousands of dollars a month.
- Such high costs may force some patients to stop filling their prescriptions entirely.ⁱ Patients who abandon treatment can end up getting sicker, which only triggers more costs to our health care system.ⁱⁱ
- High deductibles and coinsurance are a standard feature of most plans available today and are difficult to avoid when shopping for health plans.

\$6,785

*Median monthly income
in Minnesotaⁱⁱⁱ*

\$4,940

*Avg. monthly household
expenses^{iv}*



*Monthly out-of-pocket cost
for specialty prescriptions
in January:^v*

\$6,232

multiple myeloma

\$3,758

multiple sclerosis

\$3,616

breast cancer

\$3,381

arthritis

This legislation can help patients avoid having to choose between affording care and affording other necessities.

Our bill will require individual and small-market health insurers to ensure that at least 25 percent of their plans offer flat-dollar copays in every service area and at every level of coverage they serve. The plan copays are modified so that patients pay no more than 1/12th of their maximum out-of-pocket cost per prescription per month, pre-deductible.

This shields patients from making massive lump-sum payments at the start of the year and makes insurers whole. Studies show that if premiums shift, those small changes can be applied only to the people who choose to buy these plans.^{vi}

Colorado's individual market plans have sold these products since 2016^{vii}, and Illinois passed a similar law in 2021 with no votes against it. The benefit works – now let's get it done in Minnesota.

Endorsing Organizations

The Aliveness Project
American Cancer Society Cancer Action Network
Arthritis Foundation
Cancer Legal Care
Coalition of State Rheumatology Organizations
Epilepsy Foundation of Minnesota
Hemophilia Foundation of Minnesota/Dakotas
The Leukemia & Lymphoma Society

Minnesota Medical Association
NAMI Minnesota
National Multiple Sclerosis Society
National Psoriasis Foundation
National Organization for Rare Disorders
Rainbow Health
Susan G. Komen

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ⁱ Cutler, R.L. et al., "Economic impact of medication non-adherence by disease groups: a systematic review." The BMJ. January 21, 2018.

ⁱⁱ Claxton, G., Levitt, L., Long, M., "Payments for cost sharing increasing rapidly over time." Petersen-Kaiser Health System Tracker, Insight Brief. April 12, 2016.

ⁱⁱⁱ <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html>

^{iv} <https://www.bls.gov/cex/tables.htm#annual>

^v Assumptions based on dosing information from drugs.com; VA Federal Supply Schedule prices as of January 1, 2021; generalized Silver-level benefits of \$3,000 deductible, \$7,900 maximum OOP, 20% coinsurance for specialty medications, without cost-sharing reductions.

^{vi} <https://us.milliman.com/-/media/milliman/importedfiles/uploadedfiles/insight/2017/impact-prescription-drug-copay-guidance-co-mt.ashx>

^{vii} Ibid.