

Copay Accumulator Programs



Many rare disease patients rely on copay assistance from manufacturers and other third parties to help pay for their prescription (Rx) drugs. This assistance helps patients manage their annual cost sharing obligation in their health insurance plan i.e., their deductible and maximum out of pocket. Historically, third party copayment assistance for Rx drugs has applied to a patient's insurance deductible and coinsurance. Because of this, patients can better manage their prescription expenses as well as the other health care costs they incur annually.

Problem

Several years ago, health insurers began instituting programs, known as "copay accumulator adjuster programs," that prevent third party copay assistance from applying to a patient's health insurance deductible and coinsurance. As a result, patients who depend on copay assistance learned that after they had exhausted the assistance, none of it had counted toward their cost sharing obligation; leaving them with the challenge of having to pay thousands of dollars for their medications or go without it entirely.

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.

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) |
|----------------------------------|--|--|---|



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.

Example 1: Before An Accumulator Program Is Put In Place

| | Total Rx Cost | Amount covered by the copay card | Goes Toward 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 (Same cost for each month) | \$1,500 | \$300 | \$0 | \$1,200 | \$0 |
| Total | \$18,000 | \$6,000 | \$3,000 | \$12,000 | \$0 |

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.

Example 2: After An Accumulator Program Is Put In Place

| | Total Rx Cost | Amount covered by the copay card | Goes Toward 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 (Same cost for each month) | \$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 |

Annotations in the table: An orange arrow points from the \$1,500 in the 'Amount covered by the copay card' column for May and June to the \$0 in the 'Amount covered by the copay card' column for July-Dec, with the text 'copay card out of funds'. Another orange arrow points from the \$1,500 in the 'Goes Toward Deductible' column for May and June to the \$0 in the 'Goes Toward Deductible' column for July-Dec, with the text 'towards deductible'. A third orange arrow points from the \$1,500 in the 'What the patient must pay at the pharmacy' column for June to the \$300 in the 'What the patient must pay at the pharmacy' column for July-Dec, with the text 'paid out of pocket by patient'.

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?

According to a February 2025 report by The AIDS Institute, more than 4 in 10 individual marketplace health plans nationwide include a copay accumulator adjustment policy, and in 39 states, at least one plan does. These programs are also widespread in employer-based plans, meaning the problem extends well beyond the individual market.

To find out whether your plan uses one, contact your health plan directly. If you have employer-based coverage, speak with your human resources department.

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.

Copay accumulator bans are a component of NORD's State Report Card®, which tracks and grades states on key prescription drug out-of-pocket cost protections. NORD actively monitors and weighs in on state legislative activity in this area and will continue working with partner patient organizations and state policymakers to extend these protections to patients in every state.



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:

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