Articularis
HEALTHCARE

Dear Patient,

The attached informational handouts have been adapted from a medical association whose patients receive specialty medications, like rheumatology patients, to treat their conditions and may also be affected by copay accumulator adjustment programs.

We encourage you to take the time to read the materials and look at your 2019 health plan's policy to determine if your plan includes a copay accumulator program. If it does, talk with your physician about your treatment options as there may be additional assistance available. For more information, and to share if your plan includes a copay accumulator program, please visit the following resources:

- The Arthritis Foundation
  - http://blog.arthritis.org/advocacy/accumulator-adjustment-programs/
- Creaky Joints
  - https://creakyjoints.org/news/openenrollment2018/

In good health,

Articularis Healthcare

AMERICAN ACADEMY of DERMATOLOGY | ASSOCIATION

Copay accumulator policies and patients: what's at stake?

What is the copay accumulator?

Your health plan may have implemented a new policy this year called the **copay accumulator**. Under plans with this policy, copay coupons will no longer be counted toward patients' deductibles and out-of-pocket maximums. This changes the way that your copay cards work and increases the amount you have to pay.

If you use a copay assistance card for a specialty drug, you will be able to use the copay card or coupon for an amount of time that depends on its value. However, you will eventually exhaust the amount covered by the card. You will then be responsible for your deductible in full as well as maximum out-of-pocket costs.

Surprise out-of-pocket costs

If you are taking a biologic, you may be subject to the large bill sooner than you think. Be prepared for higher out-of-pocket costs this year as you will be subject to more of your deductible, especially if you have a high deductible plan. As soon as the manufacturer coupon runs out of value, you will receive the higher bill at the pharmacy.

How will the copay accumulator impact me?

2018	Patient's Cost (monthly out-of-pocket costs)	Manufacturer's Cost
January	$0	$2,000
February	$0	$2,000
March	$0	$2,000
April	$0	$2,000
May	$2,000	$0
June	$2,000	$0
July	$2,000	$0
August	$500	$0
September	$500	$0
October	$500	$0
November	$500	$0
December	$500	$0

Consider the following scenario:

- You have a copay card valued at **$8,000**.
- The manufacturer's cost of your prescription drug is **$2,000** per month.
- Your health plan deductible is **$6,000**.
- Your health plan requires a **25%** coinsurance.
- Your plan includes the copay accumulator policy

The chart to the left shows your out-of-pocket costs with the copay accumulator in this scenario.

In this scenario, you will receive a $2,000 bill for your prescription drug in May. Why? The $8,000 copay card only applied to four months of treatment (January through April) since the manufacturer's cost is $2,000 per month. Starting in May, you are responsible for the manufacturer's cost of the prescription drug until you hit your deductible. Accordingly, in this scenario, you are responsible for $2,000 per month starting in May until reaching your $6,000 deductible in July. Once you hit your deductible, you owe a $500 coinsurance per month for the remainder of the plan year, which is 25% of the manufacturer's monthly cost.

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Q **Is the copay accumulator known by other names?**

A Yes. UnitedHealthcare's program is called the Coupon Adjustment: Benefit Plan Protection Program; Express Scripts' program is called Out of Pocket Protection Program; and CVS Caremark named it the Specialty Copay Card Program.

Q **How do I know if I signed up for a plan that has a copay accumulator policy?**

A The information on the copay accumulator will be listed in your plan contract. It will not be on the summary of benefits. In your plan contract, you will see language explaining that copay cards or discount cards will not apply to your deductible and/or maximum out-of-pocket costs.

Why is this policy being implemented?

Pharmacy Benefit Managers (PBMs) and/or insurance companies adopt this policy as a way to direct patients to lower cost drug options. However, lower priced therapeutic alternatives are often unavailable. When implemented, the insurance plan and/or PBM may receive the full value of the manufacturer copay card in addition to the deductible paid by the patient. By implementing this policy, the insurance plan and/or PBM may significantly increase the money they receive while also decreasing medication access for patients who are not able to afford the full cost of their deductible.

What should I do if I am impacted by this policy?

Since you may have higher out-of-pocket costs later in the year, it is important to prepare for a potentially larger bill once you reach the copay card limit. If you have employer-sponsored insurance, speak with your employer about the new policy. They may have signed up for it thinking it is a way to save costs, when it actually can leave patients with significant unexpected medical expenses.

Glossary

Deductible: For your pharmacy benefits, the deductible is the cost point at which your health plan will begin to help cover part of the costs of your medications. Some plans do not cover the cost of drugs until the deductible has been met; therefore, it is important to research this information. For example, if your deductible is $2,000, you will pay the full cost of your prescriptions until you reach $2,000 in costs. At that time, your insurance plan will begin to take on some of the costs by offering copays and coinsurance. Your monthly insurance premium does not count towards your plan deductible. A high deductible plan may have lower premium payments, but overall, you may pay more up front for your prescriptions.

Coinsurance: One way a plan will share the cost of your medications will be with coinsurance. With coinsurance, your plan pays a set percentage of the drug costs on a specific tier. The coinsurance percentage can vary based on the tier. For example, the plan may have one tier of the formulary where the plan pays for 70% of the drug cost and you pay the remaining 30%. A coinsurance will typically apply more often to brand and specialty medications. Investigate your plan, because a plan with a lower premium may have higher coinsurance percentages for your drug coverage. Based on your needs, it may be better to have a plan with a somewhat higher premium, but lower coinsurance for drugs you regularly use.

Out-of-Pocket Maximum: Out-of-pocket maximum is the set amount your plan has you pay for all health care services for that plan year. Typically, your deductible, copays and coinsurance will go towards your maximum, but always double check with your plan to know what items are counted towards the maximum. Sometimes the deductible and out-of-network services do not count towards the maximum.