



HB 1216 True Facts

HB 1216 would allow a third-party to assist with the out-of-pocket maximums to help those who suffer from rare diseases afford their specialty prescriptions.

Example: Patient A used a \$5,000 gift card from the drug manufacturer to cover her out-of-pocket amount at the beginning of her healthcare policy year. The pharmacy accepted it, but later she was billed by her insurance provider for \$5,000, claiming because her policy now includes a copay accumulator, they don't accept payment from a third-party. In other words, the insurer is double-dipping.

Legislation banning this practice has passed in 21 other states and our hope is that North Dakota will also stop this practice. It applies to only the prescription side of a health plan and is only for prescription drugs for which there is no generic equivalent.

Copay assistance is for people who have insurance but need help meeting their out-of-pocket deductible. The cost of the drug is already pre-set prior to patients using "assistance."

Copay Accumulator programs target specialty drugs for which manufacturers often provide copay assistance. With a copay accumulator in place, the insurance company decides that assistance no longer applies toward a patient's out-of-pocket maximum (deductible). This means patients will experience increased costs and take longer to reach required deductibles. By prohibiting these third-party funds from applying it removes a safety net for chronic disease patients who need expensive specialty drugs but cannot afford them.

This increases the financial burden for those facing life-threatening disease. It can contribute to medical bankruptcy and discontinuance of care because the insurance company refuses to apply the money they receive to the patient's out-of-pocket maximum. The result is poorer health outcomes and greater cost to the system downstream.

Many employers who contribute significantly to their employee premiums, often don't understand that these copay accumulators keep their employees and their families dealing with chronic disease from the medicines they need.