



March 9, 2025

The Honorable Jonathan Warrey, Chair
Senate Industry, Business, and Labor Committee
North Dakota State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505

RE: Support H.B. 1216 to protect patients from harmful “copay accumulator adjusters”

Dear Chairman Warrey,

The International Foundation for **Autoimmune and Autoinflammatory** Arthritis (**AiArthritis**) urges your committee to support legislation overwhelming passed by the House (H.B. 1216) that would ensure health insurers credit all sums paid by or on behalf of patients toward their annual deductibles and out-of-pocket (OOP) maximums.

Who We Are - We don't represent the patient voice, we are the patient voice

AiArthritis is a patient-led, non-profit organization (based in St. Louis) that advocates for persons with autoimmune and autoinflammatory arthritis diseases worldwide. We are a recognized leader in advancing education, advocacy, and research for those impacted by **AiArthritis** diseases.

As we are led by patients, we understand how important it is to be able to promptly access safe, effective, and affordable treatment. Through lived experience, we also know first-hand how health plan protocols that disrupt continuity of care often lead to negative health outcomes, comorbidities, and significantly lower rates of remission—all of which increase costs for patients, plans, and providers.

Our organization is also part of the national All-Copays Count Coalition that was formed to protect patient access to life-saving therapies and ensure all copays are properly counted towards their total OOP costs.

About **AiArthritis** Diseases

While there are 100 known autoimmune and autoinflammatory diseases, only about two dozen of these conditions include inflammatory arthritis as a major clinical component - some examples include as rheumatoid arthritis, psoriatic arthritis, lupus, Crohn's disease, axial spondyloarthritis (including ankylosing spondylitis), and all juvenile versions of arthritis. Inflammation resulting from these conditions affects more than just the joints, but also tissues and organs throughout the body.

AiArthritis diseases are complex and chronic conditions that require comprehensive and uninterrupted care, often for much of a patient's lifetime. Many with **AiArthritis** diseases rely on specialty biologics to prevent disease progression and/or disability, which are often not affordable or accessible to patients without 3d party assistance with copays, coinsurance and deductibles that can cost tens of thousands of dollars, even for patients with adequate health coverage.

What Are Copay Accumulators

Copay accumulator adjuster programs (CAAPs) are a cost-containment technique that has exploded in the last few years and are currently found in most commercial health plans. They can be hard to spot, even for insurance experts, since they are deliberately hidden in lengthy plan documents under deceptive names such as “out-of-pocket protection programs” or “specialty copay solutions”.

Health plans that rely on CAAPs will *accept* 3d party assistance for a subscriber’s cost-sharing obligations (from manufacturers or non-profit organizations) but then refuse to *credit* that assistance to the subscriber’s annual deductible or OOP maximum limit (often with little or no advance notice).

These programs are exceptionally harmful for persons with high-cost conditions (like AiArthritis diseases) because they can force patients to pay their entire OOP maximum early in the calendar year with one of their first prescription fills. Very few individuals can pay up to \$9,200 up-front (the OOP max in 2025, which is double for families) to receive medication that they rely on to maintain basic functioning. Patients confronted with such costs either discontinue and forgo regular treatment or often turn to the ER for acute care, resulting in far higher costs for both patients and insurers.

Health plans claim CAAPs are needed to prevent 3d party copay assistance from artificially inflating drug prices by incentivizing consumers to purchase costlier brand-name products. However, this does not apply for most specialty drugs that have **no FDA-approved generic alternative**.

Furthermore, this argument is contradicted by the fact that plans are not simply refusing to accept 3d party copay assistance. Instead, health plans pocket the assistance – and then “double-dip” by *again* collecting the full cost-sharing amount from the subscriber. In addition, we understand that health plans may not always apply CAAPs uniformly, but rather discriminatorily target only those with these highest cost conditions in an effort to discourage their enrollment.

According to the annual report published by The AIDS Institute, one-third of all participating insurers in the ACA Marketplace for North Dakota currently applies some form of CAAPs¹. As a result, we strongly urge your committee to follow the lead of 21 states (including Arkansas, Oklahoma, and Texas) that have already acted to restrict them.

There was **broad bipartisan consensus** in these states that denying those with the highest-cost conditions the critical access to care provided by copay assistance is grossly harmful, unfair, and counter-productive. Furthermore, data from The AIDS Institute documented that CAAP protections **did not appreciably increase premiums** in the states that enacted them².

¹ See [TAI-Grade-Sheet_North-Dakota.pdf](#)

² See <https://aidsinstitute.net/documents/TAI-Report-Copay-Accumulator-Adjustment-Programs-2023.pdf>.

Please feel free to reach out with any questions or for additional information regarding copay accumulator protections and the harm they cause to persons with AiArthritis diseases.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Hobarck', written in a cursive style.

Mark Hobarck, JD, MPA

Director of Public Policy

Person living with ankylosing spondylitis (an AiArthritis disease)

mark@aiarthritis.org

cc: Members of the Industry, Business, and Labor Committee