February 4, 2025

The Honorable Mike Klimesh
Senate Health and Human Services
Committee Chair
Iowa State Capitol
Des Moines, IA 50319

The Honorable Annette Sweeney
Senate Health and Human Services
Iowa State Capitol
Des Moines, IA 50319

The Honorable Trone Garriott
Senate Health and Human Services
Iowa State Capitol
Des Moines, IA 50319

Re: Support for SSB 1074 – Pharmacy Benefit Managers & Prescription Drug Costs

To the Members of the Senate Health and Human Services Subcommittee:

On behalf of the Alliance for Patient Access (AfPA), I am writing in support of SSB 1074, legislation that would enact much-needed reform to the growing influence that pharmacy benefit managers have on the health care and drug pricing landscape. AfPA is supportive of the larger bill, but we would like to especially highlight and urge support for the cost-sharing provision that would ensure that all payments made to insurance companies for medicines, including those made with copay assistance, are applied to patients' out-of-pocket expense obligations. This provision will allow patients to continue using copay assistance to access their medications, while also being protected from surprise out-of-pocket costs.

Founded in 2006, AfPA is a national network of policy-minded health care providers who advocate for patient-centered care. AfPA supports health policies that reinforce clinical decision making, promote personalized care and protect the clinician-patient relationship. Motivated by these principles, AfPA members participate in clinician working groups, advocacy initiatives, stakeholder coalitions and the creation of numerous educational materials for patients, providers, and lawmakers. AfPA also convenes an Iowa State Chapter, a group of Iowa health care providers that advocate for policies prioritizing patient-centered care.

Copay assistance is often of critical importance for patients, particularly those with chronic or rare diseases. Copay assistance provides payment toward a patient's prescription copay requirements, helping increase access to treatment options. However, in recent years, many health plans have instituted a practice in which patient payments made using available copay assistance is allowed for payment but then excluded from being counted towards a patient's annual deductible, or out-of-pocket cost limit. These practices are known as copay accumulator programs, and they can significantly limit access for patients. The prevalence of these programs continues to grow - between 2018 and 2023, the implementation of copay accumulators for commercially insured patients rose from 28% to 49%.[1]

At the same time, health plans have also shifted more costs to the patient by instituting coinsurance rather than copayments. Coinsurance requires a beneficiary to pay a percentage of the list price of a medication, making the out-of-pocket costs significantly higher to a patient than that of a medication with a set copay. Copay assistance fills an important and necessary role in assisting the patient as they are required by insurers to take on more health care costs today than ever before. Most drugs that have copay assistance available do

[1] https://www.drugchannels.net/2024/02/copay-accumulator-and-maximizer-update.html

not have any lower-cost generic alternative. For the few that do, the alternatives might not fit the patient's specific disease state, or the patient may have already tried and failed the alternative treatment.

Copay accumulator programs can hinder patient care by increasing out-of-pocket costs for patients, leading to patients – regardless of their health status – switching medications based on unforeseen expense. Patients may also abandon their medication altogether, as these programs can leave patients with unanticipated medical bills of hundreds or even thousands of dollars. These consequences put patients at risk for re-emerging symptoms and new side effects and place an undue burden on patients already managing complex conditions. Re-emerging symptoms and new side effects can lead to worsening conditions, leading to increased costs to the health care system via increased need for clinician and emergency room visits.

For more information about copay accumulators, please see AfPA's copay accumulator position paper, which outlines key principles related to copay accumulators:

- Limit the use of copay accumulators.
- Require patient notification.
- Require transparency on patients' out-of-pocket costs.

Twenty-one states have already passed copay accumulator reform legislation to help their residents. SSB 1074 will protect access by ensuring that all payments made on behalf of a patient – including those made using copay assistance – count toward that patient's out-of-pocket maximum. These reforms will protect patients from the surprise out-of-pocket costs associated with copay accumulator programs, support optimal patient health, and ensure the clinician-patient relationship remains intact.

On behalf of Iowa patients and the Alliance for Patient Access, we urge your support for SSB 1074 throughout the legislative process to ensure patients can access the treatments they need. Should you have any questions, please reach out to Casey McPherson at cmcpherson@allianceforpatientaccess.org.

Sincerely,



Josie Cooper
Executive Director
Alliance for Patient Access