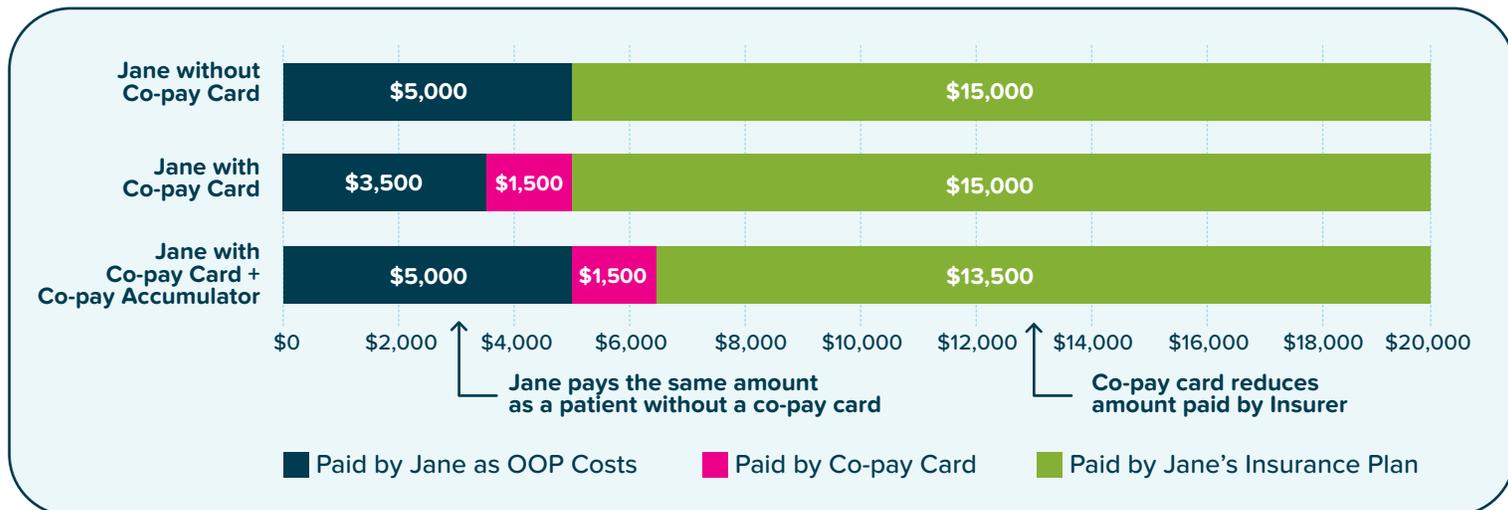


What is a Co-pay Accumulator Program?

- » A co-pay accumulator program—also known as an accumulator adjustment program—is a new kind of policy being adopted by some insurance plans.
- » These programs change the way a patient’s out-of-pocket (OOP) medication costs are added up (accumulated) and applied toward meeting the OOP maximum under their insurance policy.
- » OOP drug costs are the part of a patient’s medication expenses not covered by insurance.
- » **Deductibles, co-payments and coinsurance** are three types of OOP drug costs:
 - A **deductible** is the amount that a patient must pay before their insurance plan begins covering the cost of their medications.
 - A **co-payment** is a flat fee (ex: \$10) that patients pay each time they fill a prescription.
 - **Coinsurance** is a percentage of the cost of each prescription that is filled.
 - Depending on the cost of the drug, some insurance plans have levels or “tiers” of co-payments/coinsurance, with higher OOP costs for more expensive drugs.

What Are Co-pay Cards and How Have They Been Used in the Past?

- » Some drug manufacturers offer co-pay cards to help underinsured patients afford their prescription medications.
 - Only patients with commercial insurance can use these cards.
- » Many patients use co-pay cards to help pay their deductibles, co-pays or coinsurance, and reduce their OOP drug costs.
- » The illustration below shows the impact of a \$1,500 co-pay card on the OOP drug costs for a hypothetical patient, Jane, with multiple sclerosis, who has:
 - \$20,000 in drug costs for the year.
 - An insurance policy with maximum OOP costs of \$5,000 (deductible + co-pays + coinsurance).
- » Without a co-pay card, Jane would need to pay \$5,000 in OOP costs to access her medications, with insurance covering the remaining \$15,000.
- » With a co-pay card, she would need to pay only \$3,500 in OOP costs for the year.



What Happens to Patients Under Co-pay Accumulator Programs?

- » Co-pay accumulator programs prevent patients from using co-pay cards to cover their OOP drug costs.
- » In the example above, Jane no longer benefits from her \$1,500 co-pay card.
 - She must pay the full \$5,000 in OOP costs to access her medications.
 - These are the same OOP costs that would be paid by Jane without a co-pay card.
- » For some patients, the extra OOP drug costs that are incurred under co-pay accumulator programs will make their prescription medications unaffordable. Many of these patients will:
 - Stop their treatment.
 - Reduce their dose, skip doses or cut pills to make their medication last longer.
 - Be forced to choose between staying on their medication and covering other costs such as food, housing and utilities.

Who is Affected by Co-pay Accumulator Programs?

- » Patients with commercial insurance—especially those who get insurance through their employers or through the Affordable Care Act.
- » Co-pay accumulator programs are especially challenging for patients who:
 - Require expensive medications.
 - Have health insurance plans with high deductibles or high co-payments/coinsurance.
 - Are economically vulnerable.
- » *Many patients do not know that their health plans have co-pay accumulator programs until they get to the pharmacy counter and are confronted with unexpected OOP drug expenses.*

Steps You Can Take

- » Find out if your health insurance plan has a co-pay accumulator program.
- » Be sure you know your plan's annual deductible and the co-payments/coinsurance for the medications you take so that you understand what your OOP drug costs will be for your prescription medications.
- » Talk to your benefits manager or health plan about how the co-pay accumulator program impacts your ability to remain on your treatment.
- » Inform your healthcare provider that your insurance plan has a co-pay accumulator program, and how the program impacts your ability to cover the OOP costs for your medications.
- » Share your story with a patient advocacy group.

The PAN Foundation

The mission of the PAN Foundation is to help underinsured people with life-threatening, chronic and rare diseases get the medications and treatment they need by paying for their out-of-pocket costs and advocating for improved access and affordability.

For more information about the PAN Foundation, visit www.panfoundation.org.