

Memorandum In Support of SB 773– Senator Hershey

House Health & Government Operations Committee

March 27, 2025

The American Cancer Society Cancer Action Network is the nonprofit nonpartisan advocacy affiliate of the American Cancer Society. ACS CAN empowers cancer patients, survivors, their families and other experts on the disease, amplifying their voices and public policy matters that are relevant to the cancer community at all levels of government. We support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. On behalf of our constituents, many of whom have been personally affected by cancer, we stand in strong support of SB 773.

Copay accumulators are an insurance benefit structure that does not “count” drug copays from third parties (known as copay assistance) toward a person's insurance deductible or out-of-pocket maximum. These programs target those who rely on assistance from charities or manufacturers to afford their medications and essentially allow insurance companies and pharmacy benefit managers to collect deductibles or out-of-pocket maximums twice.

The cost of buying cancer-fighting medications can be very expensive, often running in the thousands of dollars. For those with health insurance policies that can have thousands of dollars in deductions and copays, the out-of-pocket costs for these medications can be incredibly burdensome and prohibitive. In our 2022 ACS CAN Survivor Views Survey, over 70% of respondents were worried about affording care. Half of cancer patients and survivors reported incurring cancer-related medical debt. Women and African Americans in particular were most likely to experience cancer-related medical debt.

Many patients seek out copay assistance from charities or manufacturers to mitigate the high costs of the medications they are taking. With copay assistance, a certain amount of money is put towards the cost of the medication. However, health insurance companies and pharmacy benefit managers have responded by creating copay accumulator programs. These insurance benefit structures do not count drug copays from third parties toward a person's insurance deductible or out of pocket maximum. These programs target those who rely on assistance from charities or manufacturers to afford their medications and essentially allow insurance companies to collect deductibles or out-of-pocket maximums twice.

Legislation by Senator Stephen Hershey would ensure all copays count. This legislation would eliminate barriers to treatment for patients by clarifying that ALL payments made by the patient, or on behalf of the patient, count toward the patient's deductible and out-of-pocket costs. Recent amendments ensure that a health benefit plan and design can not be set, altered, implemented or conditioned on the availability of financial assistance; and requires patients are notified within seven days of acceptance of the financial assistance the *total* amount of the assistance and the *duration* for which it is available.



Insurers and pharmacy benefit managers shouldn't be able to get paid twice for the same medications. 21 states, Puerto Rico, and the District of Columbia have enacted legislation requiring insurers to count third-party payments toward payment cost-sharing limits. We're asking you to support legislation that will add Maryland to this list, and end this discriminatory practice of copay accumulator programs by ensuring All Copays Count.

ACS CAN thanks the Chair and committee for the opportunity to testify and urges a favorable report of SB 773.