

# MedChi

*The Maryland State Medical Society*

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TO: The Honorable Delores G. Kelley, Chair  
Members, Senate Finance Committee  
The Honorable Joanne C. Benson

FROM: Danna L. Kauffman  
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J. Steven Wise  
Richard A. Tabuteau

DATE: February 26, 2020

RE: **SUPPORT** – Senate Bill 623 – *Health Insurance – Out-of-Pocket Maximums and Cost-Sharing Requirements – Calculation*

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The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** Senate Bill 623. Senate Bill 623 requires carriers, when calculating the overall contribution to an out-of-pocket maximum or a cost-sharing requirement, to include any payments made by, or on behalf of, the insured, subscriber, or member, which includes copay assistance programs. Simply stated, Senate Bill 623 prohibits a carrier from excluding the amount paid by a copay assistance program or similar program in determining when the patient reaches his/her out-of-pocket maximum or other cost-sharing requirement, such as his/her deductible.

Copay assistance programs help patients with the out-of-pocket costs of deductibles, coinsurances and copays. For example, using a copay assistance program, if the out-of-pocket charge to fill a prescription for the patient is \$50, the patient may pay \$10 and a copay assistance program would pay the remaining \$40. If the patient's carrier has adopted an accumulator program, then rather than applying the full \$50 towards the patient's deductible, the carrier only applies the \$10 paid by the patient, making it significantly more difficult for a patient to meet their annual deductibles and be provided with full drug coverage. Essentially, accumulator programs simply shift the benefit of the program from patients to the carriers since the patient must still meet the same deductible but without the benefit of the copay assistance program.

As more and more patients move into high-deductible health plans, this concern becomes more pronounced. According to the U.S. Centers for Disease Control and Prevention, high deductible health plans now cover approximately 40% of Americans. For patients with chronic conditions and high health care costs, the benefit of copay assistance programs is essential in receiving their medications. Senate Bill

623 is a consumer protection bill that protects patients from unfair practices where the carrier reaps the benefits of the copay assistance program AND the full cost-sharing requirement of the patient before having to pay for the full drug coverage of the patient. We urge a favorable vote.

**For more information call:**

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