



February 27, 2024

Senate Finance Committee

SB 595 – Health Benefit Plans – Calculation of Cost Sharing Contribution – Requirements and Prohibitions

Dear Chair Beidle, Vice Chair Klausmeier and Honorable Committee Members:

The AIDS Institute, a non-partisan, nonprofit organization dedicated to improving healthcare access for people living with HIV, hepatitis and other chronic health conditions, is writing in **support of SB595**. This bill would directly help vulnerable patients who are struggling to afford their specialty prescription medications.

Even with insurance, many patients are unable to meet the high deductibles in marketplace plans, and the high coinsurance associated with specialty drugs. To help cover the cost of their copayment, patients often rely on copay assistance from manufacturers and charitable foundations. Access to these treatments is critical for individuals with serious, chronic conditions to stay healthy, remain in the workforce, and out of the emergency department. Without copay assistance, many patients abandon their prescriptions at the pharmacy, or take measures to ration their doses, to the detriment of their health.¹

SB595 will address the negative effects of a policy that many insurers and pharmacy benefit managers are instituting that limits patients' ability to afford and access medications. Through copay accumulators and other copay diversion policies, insurers and PBMs divert copay assistance funds intended for the patient to their own bottom lines. Like underwriting tactics before the passage of the Affordable Care Act, these policies undermine coverage for the most serious conditions (HIV, hepatitis, multiple sclerosis, hemophilia, cancer, and lupus to name a few). By restricting access to these life-saving prescriptions, insurers and PBMs are costing the healthcare system more when patients seek care in emergency settings and their conditions have worsened to require more intensive interventions.

Opponents of the bill claim that copay assistance steers patients to higher costs drugs. However, a study from IQVIA found that only **0.4% of copay assistance use in the commercial market was for brand name drugs that have a generic equivalent**.² These patients do not have cheaper or other alternatives. Additionally, insurers and PBMs have utilization management protocols a

¹ Kaiser Family Foundation, Poll: Nearly 1 in 4 Americans Taking Prescription Drugs Say It's Difficult to Afford Their Medicines, including larger shares among those with health issues, with low incomes, and nearing Medicare age, March 1, 2019, <https://www.kff.org/health-costs/press-release/poll-nearly-1-in-4-americans-taking-prescription-drugs-say-its-difficult-to-afford-medicines-including-larger-shares-with-low-incomes/>
² IQVIA. "Evaluation of Co-PayCard Utilization." Available online at: <https://www.iqvia.com/locations/united-states/library/fact-sheets/evaluation-of-co-pay-card-utilization>.



patient must pass, such as step therapy and prior authorization before a patient is granted access to a medication. The proposed legislation will protect patient access to critical medications and lower healthcare costs as patients remain adherent to their treatment regimens.

To date, nineteen other states (including neighboring Virginia, West Virginia, and Delaware), the District of Columbia, and Puerto Rico have passed similar legislation to ensure copay assistance counts towards insurance deductibles and out-of-pocket maximums.

We strongly urge you to pass SB595 to protect Marylanders' access to life saving medications.

Sincerely,

Naomi Gaspard, Policy Manager
The AIDS Institute