



Biotechnology Innovation Organization
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February 27, 2024

The Honorable Joseline A. Pena-Melnyk, Chair
House Government and Operations Committee
House Office Building, Room 241
Annapolis, Maryland 21401

Re: Testimony in **Support** of House Bill 879: Health Benefit Plans – Calculation of Cost Sharing Contribution – Requirements and Prohibitions

Submitted By: The Biotechnology Innovation Organization (BIO), Washington, DC

Dear Chair Pena-Melnyk and Members of the Committee:

On behalf of the Biotechnology Innovation Organization (BIO), I would like to express our **support of HB 879**, which seeks to prohibit an insurer from disallowing a patient's cost-sharing assistance from counting towards a patient's deductible or annual out-of-pocket (OOP) limit, a practice known as an accumulator adjustment program. These programs threaten essential means of support that lower OOP costs for patients and can jeopardize patient health.

BIO is the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers, and related organizations across the United States and in more than 30 other nations. BIO members develop medical products and technologies to treat patients afflicted with serious diseases, to delay the onset of these diseases, or prevent diseases from occurring.

The continued growth of accumulator adjustment programs threatens to undermine critical support for patients. Pharmacy benefit managers developed such programs to prevent cost-sharing assistance from biopharmaceutical manufacturers or any third-party, including charitable organizations, from accruing toward patient deductibles and annual OOP maximums.

Cost-sharing assistance from charitable organizations and biopharmaceutical manufacturers helps to lower patient OOP costs and improve medication adherence. The proliferation of these programs impedes the goal of increasing patient affordability. As a result, patients may struggle to afford and adhere to their medications as insurers and PBMs seek to shift more cost-sharing responsibility to patients.

Most notably, accumulator adjustment programs negatively impact patients with chronic and rare conditions who depend on these life-saving products. A 2019 study concluded that accumulator adjustment programs resulted in higher OOP costs, and a significant share of patients either reduced or



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discontinued their medication.¹ The same study also notes that although drug expenditures would decrease, overall healthcare expenditures would increase because of a lack of patient adherence to medications.²

The proliferation of these harmful programs is increasing. Recent research found that more than 83% of patients enrolled in the commercial insurance market are enrolled in plans that have implemented copay accumulator programs, and 73% are enrolled in plans that have implemented copay maximizer programs.³

BIO supports **HB 879**, which bans the use of copay accumulator programs and ensures that any third-party copay assistance used by a patient is counted toward the cost-sharing limits of that patient's plan. As of January 2023, 16 states have enacted laws banning payer and PBM use of copay accumulator programs.⁴ These laws apply to state-regulated health plans, including the individual, fully insured large-group, and small-group markets. Banning these types of programs will ensure a patient's copay assistance from any third-party is passed through to the patient and will ensure medicines are affordable for those who truly need them.

BIO urges the Committee to pass HB 879 and protect patient health and lower patient OOP expenses.

Sincerely,

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¹ Sherman, B., Epstein, A., Meissner, B., Mittal, M., Jul 2019, *Impact of a Co-pay Accumulator Adjustment Program on Specialty Drug Adherence*. <https://www.ajmc.com/view/impact-of-a-copay-accumulator-adjustment-program-on-specialty-drug-adherence>

² Ibid.

³ Avalere, Jan 2023: *State Copay Accumulator Bans Will Affect 13% of US Commercial Lives*. <https://avalere.com/insights/state-copay-accumulator-bans-impact-11-of-us-commercial-lives>

⁴ Ibid.