

MICRO-MOMENT TOPIC:

Impact of Co-pay Accumulators

The growth of co-pay accumulator programs is a disturbing trend that ultimately reduces the payer or plan sponsors' (employer) overall contribution to the total spend on high-cost branded prescription medications while concomitantly shifting costs toward patients and manufacturers.



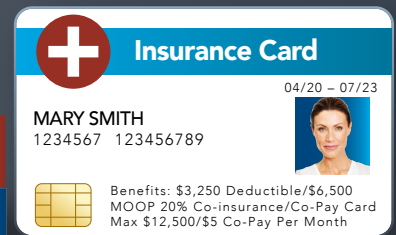
Co-pay Accumulators¹

- Historically, drug manufacturer co-pay card financial support counted toward a patient's deductible and ultimately their maximum out-of-pocket (MOOP) expense by reducing out-of-pocket costs.
- Co-pay accumulator programs track utilization and exclude co-pay assistance from counting toward patients' out-of-pocket costs.
- Developed by PBMs and promoted to health plans and plan sponsors, co-pay accumulators now impact an estimated 41 million patients.^{2,3}

The Impact of Co-pay Accumulators on Patients, Manufacturers, and Health Plans

Treatment Month	NO ACCUMULATOR PROGRAM For example, let's consider the drug is \$4,000/month			WITH ACCUMULATOR PROGRAM using \$4,000/month prescription example		
	Patient Out-of-Pocket Costs	Payer Costs	Co-pay Card Payment Without Accumulator	Patient Out-of-Pocket Costs	Payer Costs	Co-pay Card Payment With Accumulator
January	\$5.00	\$600.00	\$3,245.00 / \$150.00	\$5.00		\$3,995.00
February	\$5.00	\$3,200.00	\$795.00	\$5.00		\$3,995.00
March	\$5.00	\$3,200.00	\$795.00	\$5.00		\$3,995.00
April	\$5.00	\$3,200.00	\$795.00	\$3,235.00 / \$50.00	\$200.00	\$515.00
May	\$5.00	\$3,300.00	\$695.00	\$800.00	\$3,200.00	
June		\$4,000.00		\$800.00	\$3,200.00	
July		\$4,000.00		\$800.00	\$3,200.00	
August		\$4,000.00		\$800.00	\$3,200.00	
September		\$4,000.00			\$4,000.00	
October		\$4,000.00			\$4,000.00	
November		\$4,000.00			\$4,000.00	
December		\$4,000.00			\$4,000.00	
TOTALS	\$25.00	\$41,500.00	\$6,475.00	\$6,500.00	\$29,000.00	\$12,500.00

Through the use of the manufacturer co-pay card, Mary has met her \$3,250 deductible and hit her MOOP level of \$6,500 and has received all 12 months of the drug she was prescribed.



In month four, Mary gets a surprise when she goes to refill her prescription. She is confronted with a \$3,235 bill because with a co-pay accumulator program in place, manufacturer co-pay assistance does not count toward a patient's deductible or MOOP expenses.

However, the health plan still takes the value of the manufacturer's co-pay card with no credit to the patient.

Amount a Payer Saved With Co-pay Accumulator Program:
\$41,500 - \$29,000 = \$12,500

The grand total for Mary

The grand total for Mary

For more information on co-pay accumulator programs, please use the following links:

<https://www.reuters.com/article/us-usa-healthcare-employers/walmart-home-depot-adopt-health-insurer-tactic-in-drug-copay-battle-idUSKCN1N1F1>

https://www.washingtonpost.com/national/health-science/benefit-change-could-raise-costs-for-patients-getting-drug-copay-assistance/2018/05/29/ee39fd1c-6320-11e8-81ca-bb14593aca6_story.html

References:

- DeVries A. Why Pharma Should Pay Attention to Copay Accumulator Programs. PharmExec.com. Updated December 27, 2018. Accessed June 1, 2020. <http://www.pharmexec.com/why-pharma-should-pay-attention-copay-accumulator-programs>
- Schweitz, M. The Cost-Shift Conundrum of Copay Accumulator Programs. Helio. Updated January 2019. Accessed June 1, 2020. <https://www.healio.com/news/rheumatology/20190114/the-costshift-conundrum-of-copay-accumulator-programs>
- Humer C, Erman E. Walmart, Home Depot Adopt Health Insurer Tactic in Drug Copay Battle. Reuters. November 13, 2018. Accessed June 14, 2020. <https://www.reuters.com/article/us-usa-healthcare-employers/walmart-home-depot-adopt-health-insurer-tactic-in-drug-copay-battle-idUSKCN1N1F1>