



American Cancer Society  
Cancer Action Network  
555 11<sup>th</sup> St., Suite 300  
Washington, DC 20004  
202.661.5700  
[www.fightcancer.org](http://www.fightcancer.org)

January 20, 2021

**TO:** The Honorable Delores G. Kelley, Chair  
The Honorable Brian J. Feldman, Vice Chair  
Members of the Senate Finance Committee  
3 East  
Miller Senate Office Building  
Annapolis, MD 21401

**FROM:** Jocelyn Collins, Maryland and DC Government Relations Director  
American Cancer Society Cancer Action Network  
555 11<sup>th</sup> St. NW, Suite 300  
Washington, DC 20004  
[jocelyn.collins@cancer.org](mailto:jocelyn.collins@cancer.org)  
(301) 254-0072 (cell)

**SUBJECT:** SB 290 Health Insurance—Out-of-Pocket Maximums and Cost-Sharing Requirements—Calculation

**POSITION:** SUPPORT

The American Cancer Society Cancer Action Network (ACS CAN) is the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society. We support restrictions on copay accumulators' programs. On behalf of our constituents, many of whom have been personally affected by cancer, we stand in support of SB 290.

Many cancer patients have difficulty affording the cost of their prescription drugs, regardless of whether they are insured. This is especially true for newer drugs – including cancer drugs – that do not yet have a generic equivalent. To help temper high prescription costs, many individuals living with cancer receive copay assistance offered through manufacturer programs and charitable patient assistance programs.

Manufacturer programs and charitable patient assistance programs help many cancer patients afford their medications. In many cases a cancer patient needs a drug that does not yet have a modestly priced generic or other alternative to drug treatment. A patient assistance program's financial support can give patients access to a life-saving drug that they otherwise could not afford. And many of the programs exist for drugs without generic alternatives.

Further, even lower cost drug treatments, especially over a period of months, can be out of-reach for many low-income people. Studies of patients with certain treatment types report a significant drop in

adherence when co-pays increase to a range of \$30 to \$90.<sup>1</sup> Of economically vulnerable patients with any condition surveyed with various levels of coverage, nearly 60 percent projected they were extremely concerned they would be unable to cover out-of-pocket medication costs over the next 12 months.<sup>2</sup>

Copay accumulators are a relatively new insurance benefit design, mostly being implemented in the employer-sponsored insurance market. These programs allow the enrollee to use a copay support or a coupon, but the amount of the support does not count towards the enrollee's maximum out-of-pocket (MOOP). Only the funds spent directly by the beneficiary (and not on her behalf) would count towards the beneficiary's MOOP.

However, with the implementation of SB 290, it would remove copay accumulators' barriers by requiring all payments made by patients—directly or on their behalf - be counted toward their overall out-of-pocket maximum payment or deductible. Requiring health insurance carriers to do so will protect Marylanders from surprise bills and treatment delays as well as allowing individuals to utilize the full benefit of co-pay assistance programs. Therefore, ACS CAN asks for a “favorable” committee report.

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<sup>1</sup> Neugut, AI, Subar M, Wilde ET, Stratton S, Brouse CH, Hillyer GC, et al. Association between prescription copayment amount and compliance with adjuvant hormonal therapy in women with early-stage breast cancer. *Journal of Clinical Oncology*. Vol 29, no 18. June 20, 2011.

<sup>2</sup> Narang, AK, Nicholas, LH. Out-of-Pocket Spending and Financial Burden Among Medicare Beneficiaries with Cancer. *JAMA Oncology*. November 23, 2016.