



Chair Delores G. Kelley
Senate Finance Committee
11 Bladen St.
Annapolis, MD 21401

February 8, 2021

RE: The AIDS Institute Testimony in Support of SB 290

Dear Chair Kelley and Committee Members:

The AIDS Institute, a non-partisan, a nonprofit organization dedicated to supporting and protecting health care access for people living with HIV, hepatitis, and other chronic and serious health conditions, is submitting our **support for SB 290**. The bill would require insurers to include payments made by, or on behalf of, the insured for prescription drugs toward the insured's cost-sharing requirement.

Even with insurance, medications to treat HIV, hemophilia, MS, cancer, lupus, and other complex, chronic diseases often remain unaffordable because of health plan deductibles that stretch above \$6,000 and coinsurance which can often be 50% of the full price of the medication. Copay assistance provides a financial lifeline for patients who rely on rigorous treatment regimens made up of several specialty drugs. When insurers implement the policies addressed by this bill, commonly called "copay accumulator adjustment programs," patients' copay assistance is not counted toward their cost-sharing requirements and they are met with the full cost of their medications after the assistance runs out. This financial burden can lead to patients foregoing their medications. Pharmaceutical claims data reveals that 40% of patients will not fill a prescription if out-of-pocket costs reach \$75-125, and 70% will abandon it if the costs go above \$250. Specialty medications can run thousands of dollars per month, well beyond the financial budget of the average person.

The AIDS Institute is particularly concerned about the effects of copay accumulators on patients with HIV and Hepatitis C (HCV). Patients with HIV rely on consistent access to their medications to control disease progression, reduce viral transmission, and ultimately prevent death. Maryland has one of the highest rates of HIV prevalence in the United States and is home to three of the federally designated "Ending the HIV Epidemic" jurisdictions. Ensuring Marylanders have access to needed drugs is crucial to ending both the HCV and HIV epidemics. For HIV, HCV, and other serious chronic conditions, rationing prescriptions will result in irreversible disease progression and increased emergency room visits, which ultimately costs the healthcare system more.

In 2021, at least one of the three health insurance issuers in Maryland's ACA marketplace had a copay accumulator policy in their plan. However, a national review of issuers found that these policies are often excluded from plan documents, leaving patients unaware of this harmful practice. Passing SB 290 would ensure Maryland patients are unequivocally protected from copay accumulators.

When issuers use copay accumulators to deny patients' copay assistance from counting towards their cost-sharing requirement, insurance companies collect from both the patient and copay assistance, increasing their profits at the expense of vulnerable patients. This practice can be likened to paying for your crab cakes at G&M with a gift card, only to be brought the bill a second time and being forced to pay again.

Patients are facing unprecedented financial pressures and public health threats due to the ongoing COVID-19 pandemic; and this harmful insurance practice seems even more exploitive of those with vulnerable health conditions during this time. Maryland's action on this bill would ensure patients are not forced to forego their life-saving medications to put food on the table.

In conclusion, we urge you to support SB 290 ensuring copay assistance will count toward a beneficiary's annual cost sharing and protect Maryland patients' health.

Sincerely,

Stephanie Hengst
Manager, Policy & Research
The AIDS Institute