



Sangre  
de Oro,  
Inc.



ASSOCIATION FOR CLINICAL ONCOLOGY

**RE: HB 129/a Support Letter**

Dear Representative Armstrong, Chair of the House Health and Human Services Committee,

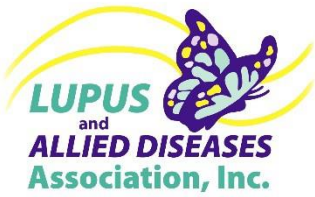
Thank you for your public service and commitment to a healthier, more prosperous New Mexico. While we recognize you have many priorities in front of you this session, we wanted to bring to your attention legislation that is critical to the health and well-being of New Mexicans with chronic and rare medical conditions.

Our coalition of patient advocates respectfully requests your support of **HB 129/a by Representative Fajardo and Senator Ivey-Soto**, that will dramatically impact New Mexicans who rely on specialty drugs to treat their conditions, and who may have high out-of-pocket costs or high deductibles they are required to meet.

In recent years, health insurers and pharmacy benefit managers have been implementing new programs called “copay accumulator adjustment programs” that do not count payments from copay assistance toward patients’ deductibles and out-of-pocket maximums. In other words, the assistance is not actually helping patients afford their high-cost treatments, forcing them to choose between their health and financial stability. HB 129/a will help New Mexicans continue to access the treatments they need by requiring that all payments made by or on behalf of a patient count toward their cost sharing obligations.

Deductibles have been outpacing inflation for over a decade, growing eleven times faster between 2007 and 2017.<sup>i</sup> The COVID-19 pandemic has only exacerbated the financial strain that these high deductibles and out-of-pocket costs put on patients and their families. To maintain their health and quality of life, patients turn to copay assistance from manufacturers and nonprofits to afford their medications. In a 2020 survey, 71% of people with psoriatic disease with incomes between \$50,000 and \$99,999 reported that they would be unable to afford their treatment without copay assistance.<sup>ii</sup>

For people with arthritis, cancer, HIV, MS, psoriasis, and other chronic conditions, specialty medications are often the only effective treatment options available. The specialty medications required to manage these complex conditions are consistently placed on the highest cost-sharing tier of health plan and pharmacy benefit manager formularies. **When facing high out-of-pocket costs, patients do not use their medications appropriately, skipping doses to save money or abandoning treatment altogether.** Studies have shown that patients are far more likely to abandon their treatment when out-of-pocket costs exceed \$100.<sup>iii</sup> Unfortunately, patients who stop using their medications due to high costs end up having more emergency room visits and negative health outcomes, which increases overall health care costs.





Insurance carriers and pharmacy benefit managers have said that copay accumulator adjustment programs reduce health care spending by encouraging patients to try cheaper alternatives; however, when patients do not have access to the medications they rely on, health care spending increases. A vast majority of copay assistance is used for treatments that do not have a generic alternative. A study of claims data by IQVIA found that 99.6% of copay cards are used for branded drugs that do not have a generic alternative.<sup>iv</sup> Patients often do not realize their copay assistance was not counted toward their deductible or out-of-pocket maximum until they are told they owe hundreds or thousands of dollars at the pharmacy.



HB 129/a will ensure New Mexicans who rely on specialty medications can continue to access their treatments through the help of copay assistance. This is especially important as deductibles continue to rise. ***We understand that there are many factors contributing to the cost of health care, but patients should not be punished for using copay assistance to help them afford the treatments they need.***



Rebate programs were designed to help alleviate the out-of-pocket burden placed on patients whose life-giving drugs have high price tags. Unfortunately, pharmacy benefit managers have found ways to retain those rebates, keeping the cost savings for themselves. Meanwhile, a patient's out-of-pocket costs are still tied to the original, undiscounted price. HB 129/a calls for a number of key provisions that demand increased transparency from pharmacy benefit managers, culminating in an annual Transparency Report. It also requires these savings to be passed through to patients. This will help ensure that rebates benefit patients at the point of sale – when they are picking up their prescriptions – as these programs were originally envisioned.



To date, five other states have passed similar legislation to ensure all copays count toward the deductible and out-of-pocket maximum. The federal Notice of Benefit and Payment Parameters (NBPP) for 2021 makes clear that it is up to individual states to regulate copay accumulator adjustment programs. We urge you to include New Mexico as a state that works to protect patients from unmanageable out-of-pocket costs through HB 129/a New Mexico patients and families cannot wait.



Sincerely,



- New Mexico Osteopathic Medical Association
- Sangre De Oro Inc, Bleeding Disorders Foundation of NM
- International Foundation for Autoimmune and Autoinflammatory Arthritis
- Lupus and Allied Diseases Association, Inc.
- HIV+HEP Policy Institute
- Infusion Access Foundation
- Spondylitis Association of America
- Acromegaly Community, Inc.
- Mended Hearts
- Aimed Alliance
- Neuropathy Action Foundation





Mended Hearts™



The Foundation for Peripheral Neuropathy  
Allergy and Asthma Network  
United for Charitable Assistance  
Patient Services Incorporated  
National Infusion Center Association  
The Chronic Disease Coalition  
Multiple Sclerosis Assn of America  
Pharmacists United for Truth and Transparency  
Global Healthy Living Foundation  
Arthritis Foundation  
Association for Clinical Oncology



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<sup>i</sup> Petersen-Kaiser Health System Tracker, "Tracking the rise in premium contributions and cost-sharing for families with large employer coverage." August 14, 2019

<sup>ii</sup> 2020 National Psoriasis Foundation Patient Survey.

<sup>iii</sup> Gleason PP, Starner CI, Gunderson BW, Schafer JA, Sarran HS. Association of prescription abandonment with cost share for high-cost specialty pharmacy medications. *J Manage Care Pharm.* 2009;15(8):648-658. doi:10.18553/jmcp.2009.15.8.648

<sup>iv</sup> IQVIA. An Evaluation of Co-Pay Card Utilization in Brands after Generic Competitor Launch. <https://www.iqvia.com/locations/united-states/library/fact-sheets/evaluation-of-co-pay-card-utilization>  
Accumulator