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Payor Approaches to Reducing the Harm of Manufacturer Coupons

Coupons increase prescription drug costs by $32 billion over a decade. Here's how employers and other plan sponsors are working to mitigate these costly manufacturer marketing tactics.

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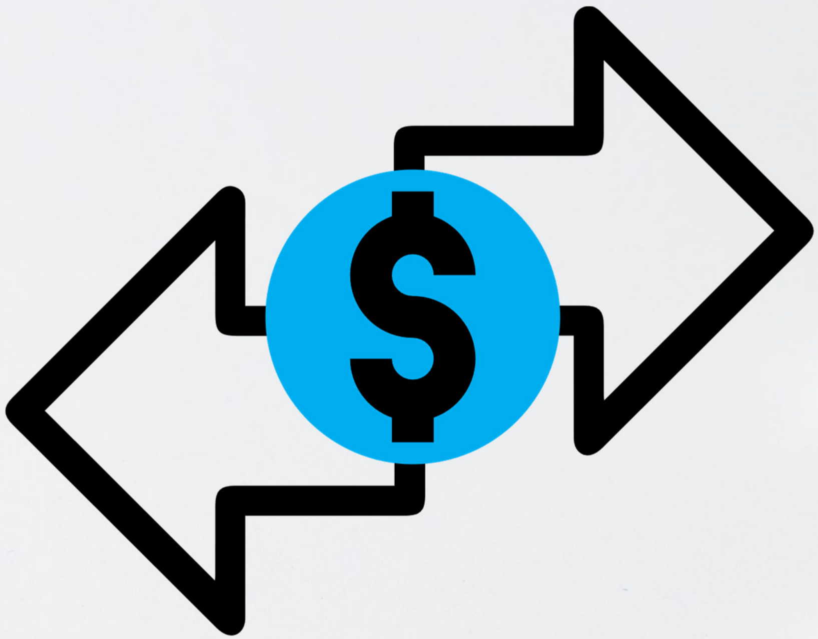
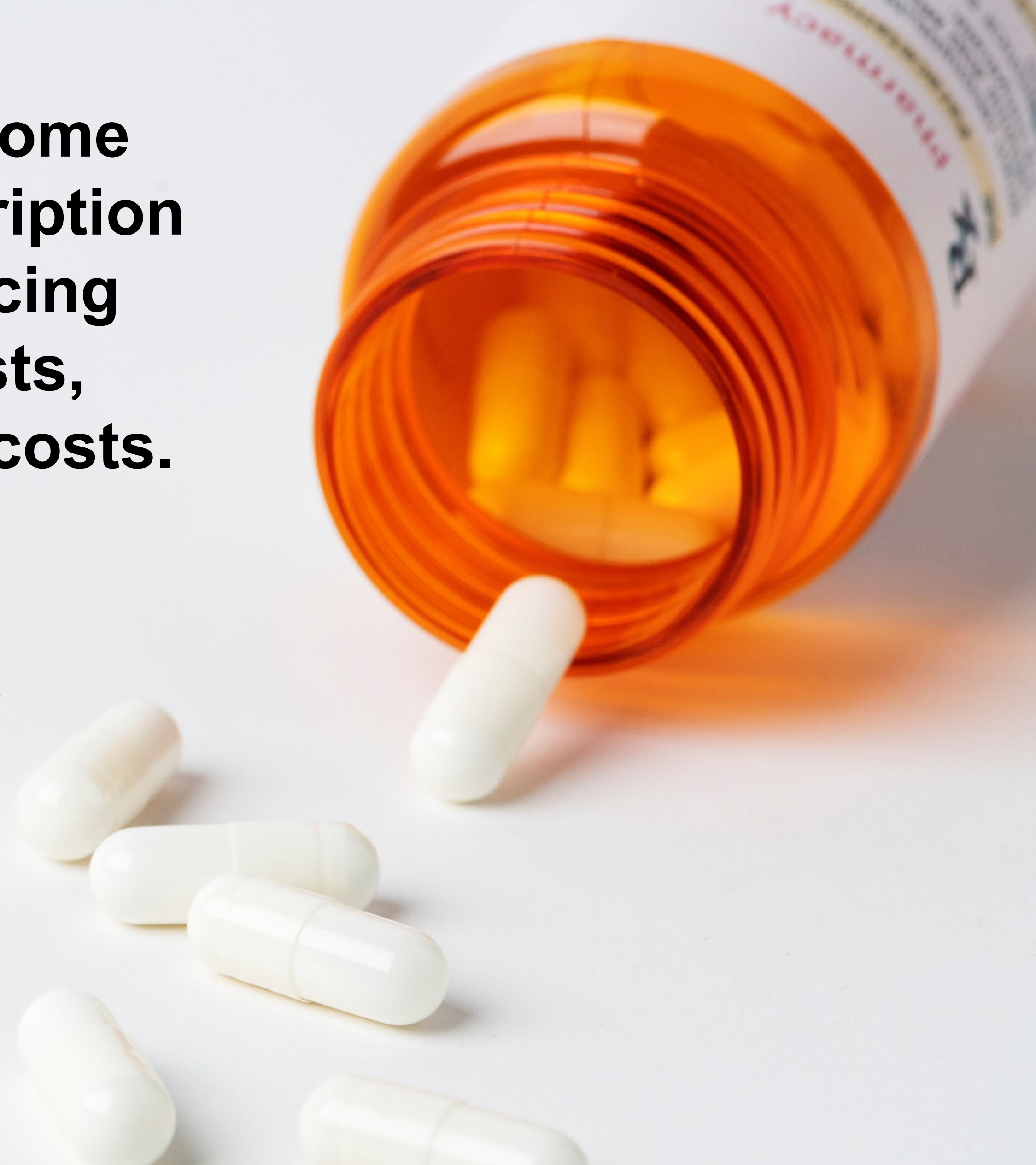
While coupons may help some patients afford their prescription drugs by temporarily reducing OOP prescription drug costs, they do not reduce *actual* costs.





Coupons raise drug costs for *everyone* while increasing profits for manufacturers.

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Going outside of the plan benefit to use coupons poses safety risks and deprives patients of critical clinical services that improve health outcomes.

These services are only possible when plans have full visibility into patients' drug regimens.

- Preventing adverse drug events and errors
- Improving drug therapy and patient adherence to treatment plans
- Reducing gaps in patient education and engagement
- Assisting physicians in managing complex medication regimens

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What are Accumulator Adjustment Programs?

Sometimes called "coupon adjustment" or "out-of-pocket protection," accumulator adjustment programs ensure the integrity of the benefit design and member cost-sharing requirements by **excluding manufacturer coupons and other forms of patient assistance** from the deductible and out-of-pocket maximum amounts.*

Highlights

- Mitigates the harmful impact of manufacturer coupons on overall plan costs and member premiums
- Most common among employer-sponsored high-deductible health plans
- Survey of large employers suggest half adopted or considered an accumulator in 2019 to help lower premiums and plan costs^
- Requires payor visibility into use of coupons

* Federal regulations currently permit adjustment programs in the commercial market, including for fully insured, ERISA, ACA, and non-ACA regulated plans; EGWP, Medicaid, and Medicare plans are ineligible. ^ Other surveys suggest the figure may be as high as 75% of employers of all sizes and 54% of large employers. Source: National Business Group on Health, 2019.

What are Maximizer Programs?

Sometimes called "variable copay" programs and often combined with accumulator adjustment, maximizer programs **set the member cost-sharing amount to the maximum value of available manufacturer coupons** for that drug. This drug-specific cost-sharing requirement may revert to the standard plan design if coupons become unavailable, are exhausted, or the member does not use them.

Highlights

- Brings value of coupons into the broader plan benefit—lowering costs for all plan members
- Most often apply to high-cost specialty drugs
- Patients often have $0 responsibility—even after copay assistance has been exhausted
- Patient and plan costs are smoothed over the course of the year, helping to make these high costs more manageable

As with accumulator programs, maximizer programs require exclusive use of a PBM-affiliated pharmacy. To maximize member benefit, members may receive support to enroll in manufacturer assistance programs. Some variations of this program do not have the alternative "base plan design" in cases where coupons are not used. EGWP, Medicaid, Medicare, ACA, and HRA plans are ineligible.

What are Specialty Drug Select Savings Programs?

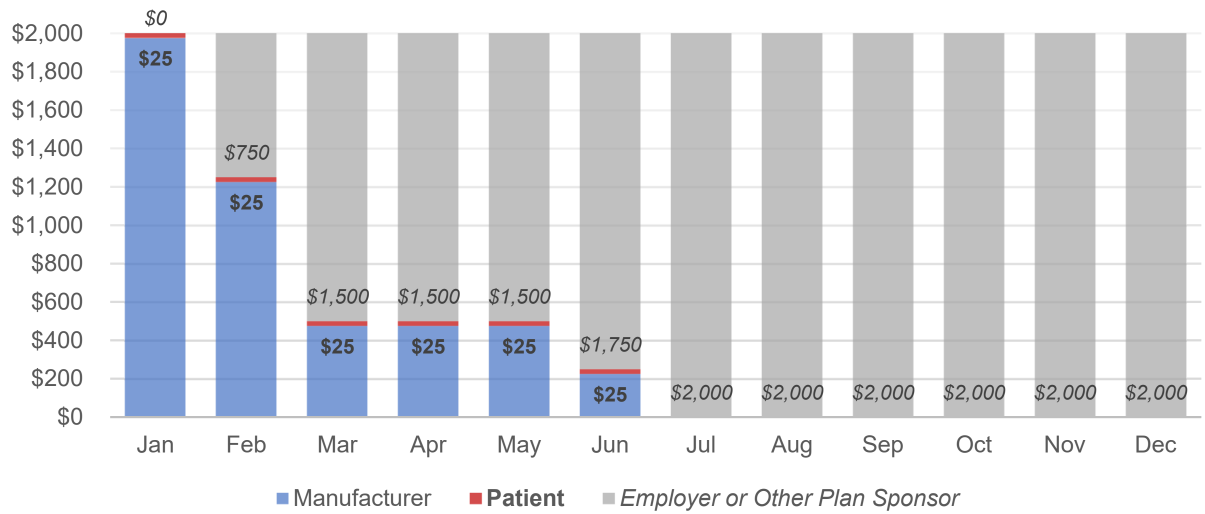
Under these programs, patient advocates **help identify and facilitate enrollment in needs-based manufacturer, charitable, and other patient assistance programs (PAPs)** for patients who take select specialty drugs. If the patient is ineligible for such programs, or the funds are depleted, patients retain access to care under normal processes and the standard benefit design.

Highlights

- Often include patien-centered support, education, and clinical case management
- May reduce patient OOP costs for up to 300+ high-cost, specialty drugs
- Point-of-sale claim triggers outreach to facilitate the patient's enrollment in the needs-based PAP
- Unlike coupons, PAPs are not banned in federal healthcare programs

PBMs do not determine if or how payors implement maximizer programs and similar strategies; these remain at employers' and other plan sponsors' sole discretion in terms of both design and use.

Accumulator-Maximizer Programs Reduce OOP Costs for Patients



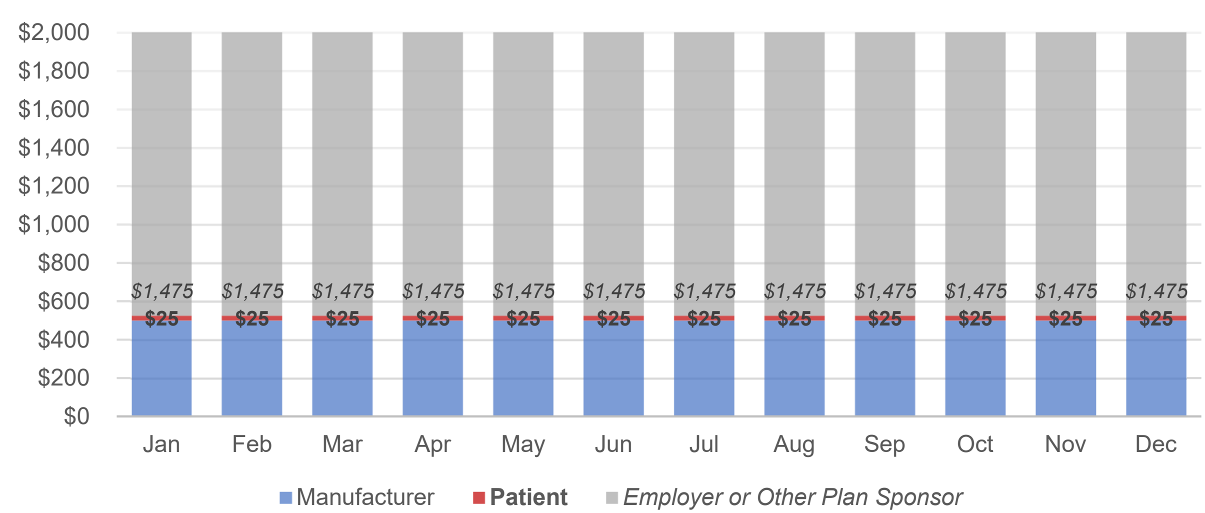
Spending without Coupon Management

Manufacturer: $4,850

Patient: $150^

Plan Sponsor: $19,000

Extra Manufacturer Revenue: $1,300 Per Patient



Spending with Combined Accumulator-Maximizer Program

Manufacturer: $6,050

Patient: $0 to $300*

Plan Sponsor: $17,700

^ Assumes availability of manufacturer coupon for the full six-month period. * These programs often include a zero-dollar option for enrolled members. PBMs do not determine if or how payors implement accumulator adjustment programs and similar strategies; these remain at employers' and other plan sponsors' sole discretion in terms of both design and use.

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The Solution:

The simplest, most effective way to lower patients' drug costs is for manufacturers to lower their prices.

PCMA supports programs that facilitate more affordable access to specialty and high-cost prescription drugs—not marketing schemes that undermine efforts to lower costs.